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NEUTRON WEAPONS AND THE CREDIBILITY OF NATO DEFENSE

By John G. Behuncik

The concept of an enhanced radiation weapon is neither of recent origin nor revolutionary in a strictly military sense. The several antecedents of the modern version of the system experienced progressive technological refinement and expanded deployment potentialities. Indeed, the principles of neutron radiation for military purposes were applied to the testing and development of the Sprint anti-ballistic missile system.

Despite presumptions about the logic of the escalatory sequence, the immediate and indiscriminate destruction inflicted by present-generation theater nuclear capabilities may largely obviate the possibility of rational thought competing with battlefield exigencies. As such, and given NATO's historical inability to define a persuasive operational mission for tactical nuclear forces, Pentagon strategists have long desired deployment of a weapon which could effectively deter or, if necessary, blunt an enemy armored thrust without causing incalculable damage to the area ostensibly being protected.

The properties which characterize the enhanced radiation device result from variations in applied quantum physics. Most conventional thermonuclear weapons are based on the fission process, in which isotopes of uranium or plutonium are compressed into a "critical mass" (or fissile core) and then split by heavy, sub-atomic particles called neutrons. The energized neutrons reproduce themselves in an explosive chain reaction. Each fission neutron reaction releases an average of three neutrons, yet these account for only a minimal proportion of the weapon's total energy output. By far the largest share is transmitted through the thermal heat and blast of recoiling fragments of radioactive uranium and plutonium atoms, which comprise most of the weapon's fall-out. (1)

The fusion process, by contrast, requires the combination of isotopes of the lightest element, hydrogen (composed of deuterium and tritium), into slightly heavier atoms of helium, a reaction that must nonetheless be "triggered" by the tremendous temperatures and pressures generated by a fission

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explosion. According to Air Vice-Marshal Steward Menaul of the Royal United Services Institute:

> Fission weapons, at the instant of detonation, release about 5% of their energy in the form of prompt radiation. The rest is dispersed in the thermal pulse and blast effects. The new-type, low-yield weapons based on fusion release up to 80% of their energy in prompt radiation (high-energy neutrons and gamma rays) while blast effects are kept to a very low level. This characteristic is known as enhanced radiation, and the effect of a weapon of this kind would be approximately the same as from a fission weapon of ten times the yield. (2)

It is essentially the suppression of the blast/heat effects relative to similar or higher-yield fission weapons which magnifies the intensity of the neutron radiation emitted, a form of radiation extremely lethal to living tissue. Extensive radio-biological research has documented the damage to the mammalian central nervous system caused by variable exposure to neutron bombardment. The dosages of absorbed radiation (measured in rads) diminish in lethality as the distance from ground zero, where the confluence of destructive forces is maximized, increases. Those within a restricted "kill radius" of approximately one square mile (blast-induced structural damage would be confined to several hundred yards) would suffer either instantaneous death or phased degrees of fatal illness and functional incapacitation. The United States Army has established battlefield casualty criteria of absorbed neutron radiation levels ranging from 8,000 rads (high) to 650 rads (low) which correlate with graduated human responses. Contrary to some speculation, it seems unlikely that enemy troops so afflicted, even at the lower end of the "rad-band" spectrum, could effectively discharge combat operations.

Beyond the circumscribed radius, however, (and assuming the adoption of even moderate insulation measures) the radiation distribution is said to be negligible. Among other factors, the extent of radioactive contamination depends upon the detonation altitude of the weapon, with appropriate air bursts decreasing fall-out, since the atomic fireball would probably not touch the ground. Unlike the thermonuclear fission weapons, moreover, the residual neutron radiation of fusion devices dissipates within hours, further reducing

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unintended damage and permitting friendly forces to rapidly secure the affected battlefield. In an area like West Germany, with an average population density exceeding 650 persons per square mile, this fact is of no small consequence.

While it is beyond the scope of this study to detail the anticipated physical effects of different radiation absorption levels, the following table of comparative measurements is instructive. It indicates the radii attending the prompt radiation and blast effects of a neutron weapon and two fission nuclear devices as they correspond to recognized dosage levels and blast intensity levels (measured in overpressures of pounds/square inch, or psi). The manner in which these effects vary with weapon detonation altitudes is also noted.

RADII OF EFFECTS (FEET)

1. Burst Height = 500 feet

Weapon	*8000 rads*	*3000 rads*	*650 rads*	*6 psi*	*4 psi*	*3 psi*
1 KT ER	2500	3000	4000	1400	1800	2500
1 KT fission	1300	1600	2500	1700	2000	3000
10 KT fission	2500	3000	4000	3000	4000	5000

2. Burst Height = 1,500 feet

Weapon	*8000 rads*	*3000 rads*	*650 rads*	*6 psi*	*4 psi*	*3psi*
1 KT ER	2500	3000	4000	0	800	1500
1 KT fission	0	1000	1900	700	1500	2000
10 KT fission	2500	3000	4000	4000	5000	7000

3. Burst Height = 3,000 feet

Weapon	*8000 rads*	*3000 rads*	*650 rads*	*6 psi*	*4 psi*	*3 psi*
1 KT ER	1000	2000	3500	0	0	0
1 KT fission	0	0	0	0	0	0
10 KT fisssion	1000	2000	3500	1700	3500	5000

Source: S. T. Cohen, "Enhanced Radiation Warheads: Setting the Record Straight," *Strategic Review*, Winter 1978, p. 12.

Among the most vehement objections raised in connection with the neutron weapon is that its deployment would represent a moral regression in tactical nuclear warfare. Opponents assert that the weapon is "inhuman" because it kills people but leaves inanimate objects, such as buildings, intact. The same could obviously be attributed to the effects of certain conventional armaments, such as rifle bullets. It is furthermore contended that if the United States proceeds with development of enhanced radiation weapons, such action would eviscerate

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President Carter's declared intention to seek arms reductions and eventually, the abolition of nuclear weapons.

The crescendo of opposition has transcended partisan political boundaries, however. A broad propaganda campaign, orchestrated by Moscow, has sought to portray the United States as attempting to destabilize an emerging theater nuclear balance by the introduction of a weapon system which, beyond obscuring the delineation between conventional and nuclear conflict, would be novel in its lethality. To this end, Soviet leader Leonid Brezhnev dispatched a bristling letter to NATO European heads of government last January, in which he decried the neutron weapon as archtypically "capitalist," and vowed that its deployment would exacerbate East-West relations and leave the U.S.S.R. with little recourse but to adopt "appropriate counter-measures." Understandably, the likelihood that neutron weapons might most immediately be deployed in the densely populated areas of Central Europe has also caused deep concern among many of the members of the European nation most likely to be affected by their use — of which West Germany is perhaps the most obvious of all likely candidates.

However, arguments relating to the neutron weapons must be evaluated in their total perspective. The neutron weapon's precision for anti-tank missions and its limited kill radius contrast notably with the indiscriminate lethal effects of present tactical nuclear systems, where the distinction between military and civilian targets (and hence casualties) would be effectively blurred. Furthermore, if one posits that the desired result of a viable military operation is the attainment of specified battlefield objectives with minimum collateral loss, then a weapon which significantly decreases civilian casualties would seem to have some claim to "humaneness" (assuming that this notion retains some meaning in nuclear warfare).

It is interesting to recall in this context that, unlike their NATO counterparts, Warsaw Pact forces are trained in the use of chemical and biological weapons, whose lethal effects on living cells require little elaboration. Also, despite reported improvements in accuracy and guidance techniques, the majority of Soviet tactical nuclear systems, as well as the approximately 700 medium and intermediate-range ballistic

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missiles targeted on Western Europe, are countervalue (i.e. population-oriented) in nature.

Enhanced Radiation Weapons And Western Defense: The Political Background

Funding authorization for the updated neutron weapon was contained in a United States FY 1978 public works appropriations bill, specifically that portion comprising the Energy Research and Development Administration's $1.2 billion budgetary request for weapons programs. Though the exact level of funding was classified, initial development appropriations were reliably estimated at $650 million over several years. Both the Senate and House passed their respective versions of the bill after defeating attempts to delete production funding for the enhanced radiation system. However, in addition to requiring an executive arms control impact statement (pursuant to PL 94-141) prior to releasing funds, amendments to the Senate bill included a proviso which would necessitate a concurrent resolution of Congress to block a Presidential production decision within 45 days of receiving the impact statement.(3)

The "neutron bomb" is actually designed as a tactical nuclear warhead for emplacement on the 70-mile range Lance surface-to-surface missile and as an artillery projectile for 8-inch and 155 mm howitzers (with 10-13 mile ranges). As the potentially most credible option in the United States' theater nuclear modernization program, the enhanced radiation weapon, with a one-kiloton yield, would replace a substantial fraction of the roughly 7,000 tactical nuclear devices now deployed in Central Europe, whose yields vary from ten to fifty kilotons. Projected on a ten-year basis, the estimated total cost of the replacement effort would be $2-4 billion. However, the continuing modernization of existing tactical systems will allow them to be fitted with either conventional nuclear, or neutron warheads.

The lead-time factor affecting initial deployment of the neutron weapon is anticipated to range from 18 to 30 months. Thus, the safeguard presumably represented by a production decision must also allow for the incremental strengthening of Soviet theater capabilities during that period.

The operational deficiencies of present tactical systems are apparent. For example, the 8-inch nuclear shells, many of

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which were deployed in the late 1950's, have very limited range and lack an effective internal security mechanism. Their complexity makes them slow to load and fire, thus casting doubts about their performance reliability under battle conditions. Appropriations request to upgrade tactical artillery systems were rebuffed by Congress in the early 1970's, however, pending introduction of a more innovative design concept to accommodate a changing European political and military environment.

As noted previously, modifications of theater weapons embracing the enhanced radiation system have been theoretically possible, though not perhaps strategically feasible, for some time. In 1954, a crude neutron device was planned as a suitable projectile for the Army's 280 mm howitzer. Several factors intervened subsequently, however, and the program was cancelled. Similarly, consideration was given to deployment of a neutron weapon during the latter years of the Eisenhower Administration as well as during the Kennedy Administration, though the ultimate decision affecting European theater capabilities in the aftermath of successive Berlin crises involved an expansion of conventional ground forces. A prototype of the modern neutron weapon was test-fired in Nevada in 1963, yet the program remained dormant despite the efforts of military specialists to devise cost-effective alternatives to existing tactical nuclear forces.

The Tactical Nuclear Dilemma

Tactical nuclear weapons have long provoked ambivalent feelings on both sides of the Atlantic, with European governments uncertain as to how they would be employed for limited strikes in repelling an invasion by Soviet forces, or what the consequences of their use might be. Moreover, the precise nature of their symbolic "linkage" to strategic nuclear weapons as the ultimate guarantor against a NATO defeat has never been satisfactorily explained. "The basic idea is that a strategic nuclear response to Soviet aggression would be intuitively more plausible if tactical nuclear weapons had already been used and had failed to halt the Soviet attack." (4) United States officials emphasize (though often less than persuasively to anxious Europeans) that NATO's use of tactical nuclear weapons would provide an unambiguous signal to Moscow that

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the Alliance was prepared to cross the qualitative "firebreak" between conventional and nuclear warfare to prevent a Soviet conquest of Western Europe.

But how could one resolve the dilemma or control the escalatory process in a rational manner, let alone anticipate the magnitude of devastation to the NATO territories being defended? Moreover, would the respective damage levels inflicted by tactical and strategic nuclear weapons actually be distinguishable to the victims?

In 1955, when nuclear deterrence was based on the precept of massive retaliation, and conventional forces served a preeminently "trip-wire" function, NATO commanders conducted a simulated war exercise entitled *Carte Blanche*. According to the scenarios developed, it was assumed that 335 nuclear weapons would be used within the first 48 hours of a conflict, and that 268 of them would strike West German territory. Immediate German casualties were estimated at 1.5 million dead and 3.5 million wounded. (5) Other Pentagon studies conducted in the 1960's reportedly estimated that casualties in Western Europe resulting from such an exchange would exceed 100 million. The question of genetic damage to the surviving population has never been effectively answered.

The impetus for increasing acceptance of the enhanced radiation weapon as a realistic tactical option was provided by then-Secretary of Defense James Schlesinger's enunciation of a new strategic targeting doctrine in 1974 which entailed the notion of damage limitation. Schlesinger's thesis involved the development of a selective counterforce capability which would destroy military "point" targets while sparing urban population centers. Transposed upon the NATO environment, precision was to be substituted for the threat of mass annihilation as the most credible response to levels of aggression short of strategic thermonuclear exchange.

This revised concept was predicated upon several interrelated elements:

1. The momentum of the Soviet Union's unprecedented military growth across the spectrum of capabilities to a position of essential strategic equivalence with the United States, despite the supposed restraint induced by negotiated arms control measures.
2. The especially formidable array of Soviet conventional

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and theater nuclear forces opposing NATO, and the references made in Soviet military literature to the predominance of rapid, coordinated offensive attacks (the "combined arms concept") as the key to securing battlefield advantage. Based on an obviously reduced warning period, such attacks do not preclude, but rather envision, the introduction of nuclear weapons under appropriate circumstances.

THE MILITARY BALANCE IN CENTRAL EUROPE

	NATO	*Warsaw Pact*
Manpower	670,000	955,000
Main Battle Tanks	7,000	20,500
Tactical Aircraft	2,000	2,800
Tactical Nuclear Missiles	7,000	3,500
Artillery Pieces	2,700	10,000

Source *Newsweek*, April 17, 1978, p. 37.

3. The general stagnancy (or perhaps obsolescence) of the NATO defense posture, including the progressive emasculation of the doctrine of graduated deterrence. Principally because of the gross disparity in counterpoised conventional forces, it was perceived that the credibility of the West's tactical military deterrent, as well as the political utility of theater nuclear weapons as a symbol of the American security commitment, had been seriously eroded.
4. The development of new technologies which have produced a modern generation of theater nuclear systems possessing capabilities for highly-accurate and low-yield deliveries. Improvements in accuracy, coupled with reductions in warhead payload, have made available to the North Atlantic Alliance weapons of great precision in target acquisition which simultaneously minimize blast-related collateral damage. (6)

Strategic Ramifications of Deployment of the Neutron Weapon

In requesting production funding for the neutron weapon last year, it was argued that:

> Tactical nuclear weapons, including those for battlefield use, have strongly contributed to deterrence of conflict in Europe. I believe that we must retain the option they provide and modernize it. (7)

The deterrent credibility of a weapon is linked to the prob-

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ability of its application. Whether neutron weapons augment deterrent credibility depends on the advantages they possess for strengthening tactical war-fighting capabilities.

Since many tactical delivery systems possess dual capabilities, it is in NATO's strategic interest that conventional forces be upgraded in order to assure the flexibility and measured responses which graduated deterrence requires. Yet what appears to be Europe's tacit reliance on theater nuclear capabilities as the primary deterrent may reflect a corresponding downgrading of (or simply insufficient attention to) conventional forces for sustained combat during the initial stages of a conflict.

The heart of Soviet military strategy in Central Europe involves multiple massed tank thrusts, supplemented by substantial firepower and with little advance warning, which would overrun NATO defenses before ample Western mobilization could take place. Furthermore, the Soviet Union has developed tactics designed to limit the employability of U.S. theater nuclear capabilities by rapidly closing the gap between forward-stationed Pact armored units and the troops and civilian populations of NATO allies.

The likeliest Warsaw Pact invasion routes, against which the effective disposition of Allied forces must be evaluated, are illustrated in the accompanying map. In the event of a communist breakthrough which could not be contained by conventional military means, the tactical responses could only be as flexible as disposable armaments permit. A NATO decision to introduce current-generation tactical nuclear weapons would necessarily carry with it the risk of unacceptable damage to the allied infrastructure, including allied European civilians. If the tactical nuclear response is sufficiently "manageable" for executing selective *military* operations, then the aggressor is faced with the dilemma of whether to escalate the conflict commensurate with the values attached to his own military objectives or retreat before the specter of unwanted destruction. (8)

It is in light of these considerations that NATO strategists, in particular the seven-nation Nuclear Planning Group, must weigh the potential military and political utility of the neutron weapon. Designed primarily to neutralize Soviet preponderance in armor, the neutron weapon would appear to have several

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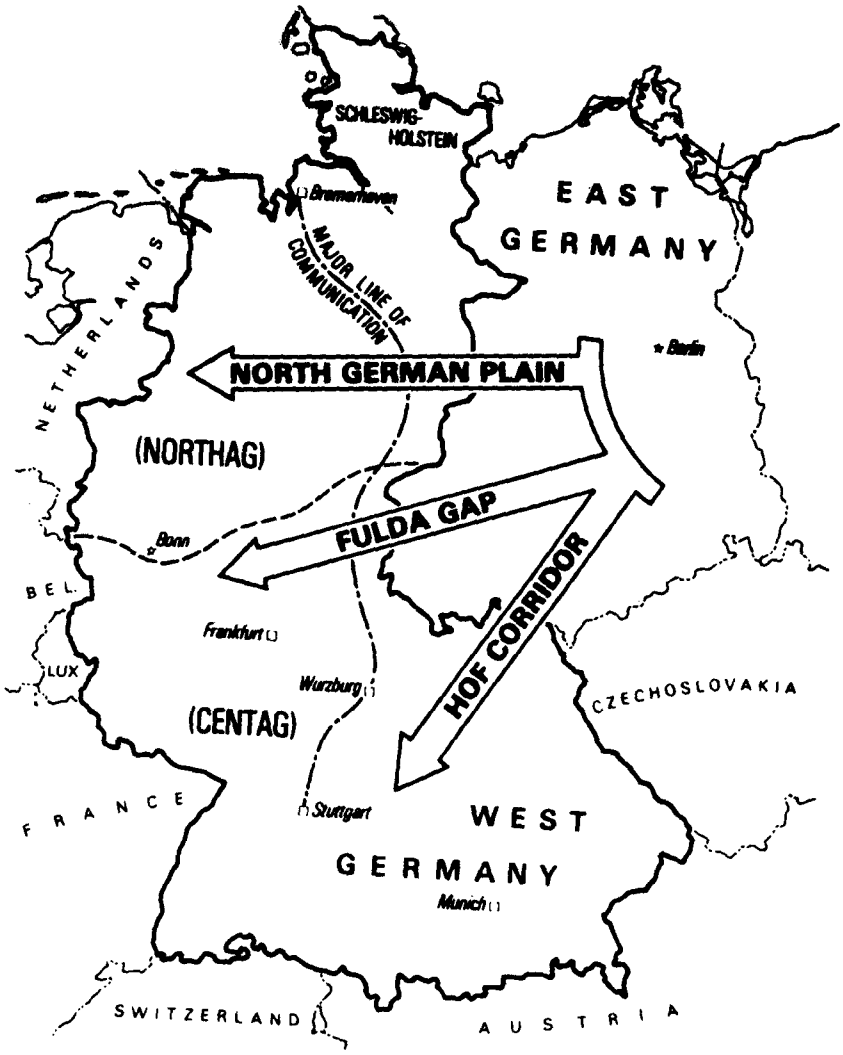

Source: *Assessing the NATO/Warsaw Pact Military Balance* (Congressional Budget Office, December 1977), p. xi.

a. NORTHAG refers to Northern Army Group, an area of command including Belgian, British, Dutch and German forces, in addition to one newly-formed U.S. brigade.
b. CENTAG refers to Central Army Group, an area of command including U.S., German, and Canadian forces.

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distinct advantages over the larger, less accurate tactical systems.

In the first place, Soviet front-line tanks such as the latest-model T-72 have been hardened to withstand blast over-pressures up to 65 psi. Tactical weapons which rely on a combination of blast and heat for their destructive impact would be less certain of registering substantial "kills" against massed tank formations, while high-energy neutrons would easily penetrate the tanks' protective steel and immobilize the armored force by incapacitating the tank crews. Data presently available indicate that neutron radiation against troops in tanks is only 20-30 percent less than the effective lethal radius against troops in the open. It has been reported that the U.S.S.R. is some years away from developing an effective armored resistance to neutron radiation.

Furthermore, variations in Soviet tactical planning to reduce the vulnerability of tank crews to neutron bombardment might occasion dispersal of tank columns. An increase of allied nuclear forces to such a change might be unnecessary, however, since the inevitable effect of such a move would be to make the individual tank units easier targets for the conventional, precision-guided anti-tank weapons already stockpiled in NATO inventories. These include laser-directed "smart" bombs and wire-guided missiles such as the TOW.

Considering the priority attached to effective concealment of forces in a nuclear battlefield environment, target acquisition and engagement of forward Pact armored units constitutes the principal tactical defensive problem. As such, many situations are conceivable where NATO forces, lacking accurate target information, would be unable to respond with low-yield, discriminate defensive fire. (9) The substitution of larger-yield weapons would increase substantially the collateral damage produced by the attack, even if the engagement was waged at some distance from urban areas. As mentioned earlier, by raising the detonation altitude to the appropriate level, it becomes possible (via bursts of radiation) to counter-attack effectively those forces occupying an area while minimizing collateral damage and radioactive wastes. This enhanced radiation can largely divorce the military from the collateral damage effects, making neutron weapons more attractive than nuclear fission or even conventional explosive

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weapons. (10)

Beyond the limited battlefield missions for which neutron weapons would be deployed, higher-yield fission tactical nuclear devices would be held in reserve, should an aggressor consider escalation a feasible option. The innate "controllability" of the neutron weapon represents a significant new variable in a potential adversary's strategic calculations. By so doing, and assessed in conjunction with existing tactical forces, the credibility of the tactical deterrent would appear to be enhanced. "The neutron," notes analyst Uwe Nehrlich of West Germany's Foundation for Science and Politics, "made conventional defense more credible and nuclear-battlefield support less suicidal." (11)

The argument over whether the neutron weapon's deployment would facilitate premature recourse to "limited" nuclear responses, with the attendant risks of uncontrolled escalation, must therefore be measured against plausible alternatives. It would appear that proponents of this argument consider the only "useful" nuclear weapons to be those which are so indiscriminately destructive that the nation possessing them will be effectively deterred from introducing them in a conflict (except under circumstances of desperation). If an adversary shares the perception that, despite rhetoric to the contrary, the concept of *self*-deterrence is operative, then the leverage he can exercise in light of superior conventional forces becomes more pronounced while the penalties to be anticipated beyond a certain level of conflict (now somewhat more precisely defined) correspondingly diminish in credibility.

Without the deployment of the neutron weapon, with its implication for tactical deterrent credibility, one is led to wonder whether Western leaders and in particular an American President, would acquiesce to a possible conventional defeat rather than unleash a devastating, nuclear counter-assault. Depending on the targets envisaged, and the extent to which military intentions could be effectively communicated, the residual knowledge that the Soviets could undertake equally destructive retaliatory strikes might further inhibit the use of larger-yield tactical nuclear devices for "limited" battlefield missions.

The Neutron Weapon Decision: The Notion of Political Linkage

President Carter's decision to deter production of the

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neutron weapon appears to have temporarily moderated the trans-Atlantic political discord which accompanied it. The controversy was partly attributable to Mr. Carter's personal misgivings about the "morality" of the system, the thrust of Administration policy regarding nuclear proliferation, and the question as to whether a production authorization would have been appropriate just prior to the convening of the United Nations Special Session on Disarmament.

Though a consensus apparently existed among military advisors on both sides of the Atlantic concerning the weapon's strategic necessity, the domestic political fall-out threatening some European leaders facing sizable constituencies hostile to deployment of the weapon on their national territories was perhaps insufficiently appreciated. The disagreement over whether a production decision should precede an Allied deployment commitment, or vice versa, likewise contributed to the overall impression of vacillation, with an allegedly ambivalent compromise underscoring the absence of effective political communication on a critical issue.

Among the more intriguing aspects was the linkage established between the neutron weapon's ultimate disposition and the direction and pace of certain Soviet military programs, notably the continued deployment of the powerful SS-20 IRBM (whose target coverage includes all of Western Europe), and the increase in tank and infantry strength in Central Europe. The Soviet Union has made explicit, however, its opposition to the United States attempt to "gain concessions in other unrelated matters," indicating the non-negotiability of "those measures (designed) to strengthen Soviet defense facilities." (12)

The Administration, already criticized for having offered "pre-emptive" concessions on promising military technologies in an effort to solicit reciprocal Soviet restraint, must consider the ramifications of what might be perceived as yet another gratuitous sacrifice, particularly if no substantive response is forthcoming. The current indecision, especially if seen as influenced unduly by Soviet blandishments, may occasion a further diminution of "the credibility of the American security guarantee," possibly stimulating individual Allied states to undertake separate military initiatives. The reported French test-firing of a neutron device in the South Pacific

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may bear relevance when analyzed from this perspective.

Certainly the United States Administration's handling of this sensitive political issue was not designed to inspire the mutual confidence and cooperation which a viable trans-Atlantic partnership must demonstrate. Abetted in part by conflicting news interpretations of President Carter's intentions, European confusion over the decision is really little more than a reflection of American domestic doubts about the internal coordination of the Administration's decision-making machinery.

In the opinion of this author, the ultimate production decision concerning the neutron weapon should be based primarily on an assessment of the objective military realities which would justify its deployment. Given the contemporary aggregate balance of forces in Central Europe, deployment of the neutron weapon would provide NATO with a more real ability to withstand a possible attack by the conventionally superior forces of the Warsaw Pact and would consequently reduce the likelihood of such an attack.

FOOTNOTES

(1) See *The Los Angeles Times*, July 13, 1977, p. 10.

(2) Cited in *Current News*, August 15, 1977, p. 11-F (*Toronto Globe and Mail*, August 8, 1977, p. 7.).

(3) *Congressional Quarterly*, October 8, 1977, pp. 2151-52.

(4) *Congressional Quarterly*, July 9, 1977, p. 1403.

(5) *Ibid.*

(6) See Jacquelyn K. Davis and Robert L. Pfaltzgraff, Jr., *Soviet Theater Strategy: Implications for NATO.*, (Washington, D.C.: United States Strategic Institute; USSI Report 78-1).

(7) *The Washington Star*, July 13, 1977, p. 1.

(8) See John F. Scott, "Neutron Weapons and NATO Strategy, *Parameters*, November 1977, cited in *Current News*, November 1, 1977, pp. 5F-8F.

(9) For an in-depth study of the battlefield applications of neutron weapons, see S. T. Cohen, "Enhanced Radiation Warheads: Setting the Record Straight," *Strategic Review*, Winter 1978, pp. 9-17.

(10) *Ibid.*, p. 13.

(11) *Newsweek*, April 17, 1978, p. 37.

(12) *Soviet World Outlook*, (Center for Advanced International Studies: University of Miami), April 15, 1978, p. 2.

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GERMANS IN THE SOVIET UNION

By Dr. Helmut Kohl
Chairman of the CDU/CSU Group in the German Bundestag

According to the last census conducted in the Soviet Union in 1969/70, 1,864,000 persons of German nationality were living in that country. (1) Allowing for natural growth and the 30,369 Germans who have meanwhile settled in the Federal Republic (i.e. between 1970 and 31 July 1977), this overall figure now probably exceeds two million. The official information bulletin published by the Soviet Embassy in Bonn in 1976 put the number at about two million.

These Germans came to be located within the Soviet Union through a variety of different causes. They may be classified as follows:

(a) *Reich Germans*, who come mostly from the northern part of East Prussia and are still living in those parts or have been deported to central regions of the Soviet Union.

Their present number is not known, but between 1950 and 1977, only 511 persons in this category were able to resettle in the Federal Republic of Germany. Numerous applications for exit visas have still not been dealt with.

(b) *Memel Germans*, that is, Germans who, as a result of the cession of the Memel region to the German Reich in 1939 by Lithuania, with Soviet approval, had acquired German nationality, remained there after 1944/45 or had been deported to central parts of the Soviet Union. Their present number, too, is not known. Between 1950 and 30 June 1977, only 8,744 Memel Germans were able to resettle in the Federal Republic of Germany.

(c) *German prisoners of war* who were retained in the Soviet Union after the war. The number is not known but is believed to be large.

(d) *"Treaty settlers"*, i.e. those Reich Germans and ethnic Germans who, on the basis of treaties between the German Reich and the then independent Baltic States of Estonia and Latvia after the German-Soviet agreement of 1939, transferred to German citizenship. They were never Soviet citizens, but after the Soviet occupation of Central and Eastern Europe in 1945 these were deported to the Soviet

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Union.

(e) *"Treaty settlers"* (subsequent settlers), in other words Reich German and ethnic Germans who after the annexation of the Baltic States of Estonia, Latvia and Lithuania by the Soviet Union in 1940 had initially become Soviet nationals and, pursuant to the German-Soviet agreement of 10 January 1941, had moved to the German Reich from the Estonian, Latvian and Lithuanian Soviet Socialist Republics but in 1945 were forcibly deported back to the Soviet Union.

(f) *Other "treaty settlers"*, in other words ethnic Germans from eastern Poland, Bessarabia and Bukovina, who acquired German nationality in 1939, but in 1945 were forcibly deported back to the Soviet Union.

(g) *Russian Germans* of Soviet nationality, that is, the descendants of those Russian Germans whose ancestors had emigrated to Russia, mostly between 1773 and 1824, at the invitation of the Russian czars to develop German settlements there, particularly to the north of the Black Sea, in Bessarabia, Volhynia, in the central Volga region, in the Crimea, and in the Caucasus, or those German merchants, doctors, teachers, and craftsmen who lived in the towns and cities of Russia.

The number of Russian Germans before the first world war was about 1.7 million. According to the population census of 1939, there were 1,420,000 Soviet citizens of German nationality; in addition, another 250,000 persons of German nationality were living in the Baltic States.

(h) *"Administrative settlers"*, that is, Russian Germans of Soviet nationality who during the war had removed to the German Reich from the Soviet Union and were given German citizenship on the basis of unilateral German administrative acts. After 1945, about 250,000 out of these 350,000 "administrative settlers were forcibly deported back to the Soviet Union.

While little is known regarding the fate of German prisoners of war still in the Soviet Union and of Germans forcibly deported to the Soviet Union after World War II, much more can be said about the condition of the "Russian" Germans.

Up to 1941 the 1,420,000 Russian Germans lived for the most part in some 3,000 German village communities in areas which had been cultivated by their ancestors. For over a hundred years they had preserved their community and their

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national characteristics, in spite of the fact that they had been stripped of their former privileges at the end of the 19th century.

400,000 Volga Germans had been given the status of an "Autonomous Soviet Socialist Republic (ASSR)" in 1924, in which in 1926 66.4% of the community were Germans, 20.4% Russians, and 12% Ukrainians. The Russian Germans also received the status of "National Districts" in other parts of the Soviet Union, six of them in the RSFSR (in the Altai region, in the provinces of Saratov, Stalingrad and Orenburg, in the northern Caucasus, and in the Crimea). One German National District was in the Georgian SSR, one in the Azerbaijan SSR, 9 German districts in the Ukrainian SSR. The national group of Russian Germans had five universities, 400 intermediate and primary schools, one national theatre, a printing house, and five newspapers and periodicals. They were able to bring up their children in the German mother tongue.

In 1941 the national group of Russian Germans and their well-ordered communities were innocently dragged into the confusion of war. What had been planned in 1916 during the first world war but not carried out now happened during the second world war. The Russian Germans east of the Dnieper were banished to the distant region of Siberia as a result of Stalin's deportation decree of 28 August 1941 and their families were for the most part separated. On the other hand, about 350,000 Russian Germans were transferred to the German Reich as "administrative settlers", 250,000 of whom were taken back to the Soviet Union after the war – not, as promised, to their original homeland but to northern Russia, northern and central Asia.

The partial amnesty of 17 September and 13 December 1955 eased the situation somewhat for those Germans living in the regions and camps beyond the Urals to which they had been banished, to the extent that they had survived the privations of the war and post-war years. The strict regime under which they lived and which prevented them from leaving those areas and the camps under threat of a penalty of 25 years forced labour was relaxed. The Germans were issued with Soviet identity cards which was a legal basis for limited freedom of movement and enabled separated families to come together again. There began a huge migration from the cold northern

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regions of Siberia to the warmer southern parts, especially the Central Asian Republics of the U.S.S.R.

But that amnesty was linked with three severe restrictions which to this day discriminate against the Germans:

– Upon leaving their camps the Russian Germans had to surrender their German naturalisation papers. This applied in particular to the survivors of the 250,000 "administrative settlers" who had been brought back to the Soviet Union after the war. Their German nationality was not recognised and they were treated in the same way as the other Russian Germans who had never acquired German nationality.

– All Germans were forbidden to return to their former settlements; if they failed to comply with this order they ran the risk of criminal prosecution.

– They had to renounce any claim to property they had owned in their former settlements which had been confiscated when they were banished.

These restrictions remained in effect even after the political rehabilitation of the German ethnic group by decree of the Presidium of the Supreme Soviet of the U.S.S.R. dated 29 August 1964. Although that decree declared the reasons given for deportation in the decree of 28 August 1941, (i.e. that the persons concerned "have actively aided and abetted the fascist German conquerors") was an "unfounded general accusation and an expression of the arbitrary action taken under the conditions of the Stalin personality cult", and although the State authorities were instructed "to help the German population living in their Republics and to support them in their economic and cultural development, making allowance for their national characteristics and interests", those provisions were not generally met.

In contrast to all other national minorities – Balkars, Kalmyks, Chechens, Ingushes, but not the Crimean Tartars – who had been deported from their original settlements in 1941/42 and were allowed to return to those areas and had their former "Autonomous National Republics" and "National Districts" restored, the Russian Germans – like the Crimean Tartars – were not fully rehabilitated. They too were not allowed to return to their settlement areas in the European part of the Soviet Union. Nor did they regain their former administrative autonomy as a recognised national minority

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in the new settlements in the Asian part of the Soviet Union.

All efforts by the Russian Germans for full rehabilitation, return to their former settlements and the restoration of their national autonomy, have failed. In January and June 1965, two delegations of Russian Germans met the then Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., Mikoyan, but the talks proved fruitless. On 12 January 1965, Mikoyan told the delegation that a restoration of national autonomy was impossible because the Germans no longer had any territory. In July 1965, he said the reason for this refusal was that without Germans it was impossible to continue to maintain agricultural production in Kazakhstan. A third delegation which put in an appearance in July 1967 was not even allowed to present its case and forced to leave Moscow within 24 hours.

The more the hopes of the Germans in the Soviet Union of restoration of their national autonomy, or being able to live in integrated German communities with a German education system as the basis for preserving their national identity, dwindled, the more intensive became their efforts to return to the "historical homeland Germany" from which their ancestors had emigrated. Ever more Germans in the Soviet Union see this as the only way of preserving their German traditions and way of life.

The survival of the two million Germans in the Soviet Union as a national group is, in the long term, in jeopardy. Efforts are being made to "Sovietize" them. These efforts are facilitated by the fact that the Germans are now forcibly scattered among other nationalities, mostly in the Asian part of the Soviet Union. They are located according to the population census of 1969/70, in:

the Russian Socialist Federal Soviet Republic (RSFSR)	761,880	(41.3%)
the Kazakh SSR	858,077	(46.5%)
the Kirghiz SSR	89,834	(4.9%)
the Tadzhik SSR	37,712	(2.0%)
other Republics of the Union	98,814	(5.3%)

In recent years many Germans have attempted to move to the Baltic Union Republics and the Moldavian SSR to pursue their efforts to transfer to the Federal Republic of Germany. Of late, however, they are reported to have been prevented from entering those regions.

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Another disadvantage, apart from that of scattered settlement, is that the transfer of the population into the cities to aid the process of industrialisation has made it even more difficult for the Germans to preserve their national identity. In 1914 only 4.5 per cent of the Russian Germans lived in urban communities; by 1941 there were already 27 per cent, and in 1970 45.4 per cent.

As a result of these conditions, the German ethnic group have little opportunity to maintain their own cultural life, quite apart from the growing pressure of Sovietization (the elimination of all national loyalties) and the fact that they are today still denied their national autonomy. Although the Germans in the Soviet Union, which is made up of over 100 nationalities, are the 14th largest group numerically, there is no German school with German language tuition. Except at home, the children can only learn German as a foreign language alongside the language in which lessons are taught. In 1959, 75 per cent of all Germans who during the population census gave their nationality as German stated that German was their mother tongue; but in 1970 the figure was only 66 per cent. There are only a few German language newspapers for the two million Germans; for instance "Neues Legen" (Moscow), "Freundschaft" (Tselinograd), "Rote Fahne" (Altai region). Only 15 members of the Soviet Writers' Association are German language authors. The cost of obtaining German literature from abroad is prohibitive, and in the case of non-communist countries there is the additional problem of censorship. Finally, owing to the living conditions as a result of decades of banishment, only a small number of Russian Germans, especially among the middle and younger generation, enjoys professional status.

Of the numerous other petitions to the Soviet Government, the Government of the Federal Republic of Germany, other governments, and the United Nations, perhaps the one which gives the clearest indication of the desperate situation of the two million Germans who are struggling for survival as a national group is the petition which was presented to the Supreme Soviet of the U.S.S.R. by a delegation of 12 representing 7,000 heads of families with 35,000 family members on 18 May 1973, supported by an appeal to the United Nations. The present position of ethnic Germans in the Soviet Union

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is eloquently expressed in this appeal:

For the past 31 years, since the appearance of the decree of 28 August 1941, according to which the Germans in the Soviet Union were driven out of their native towns, we have been faced with the problem of national self-determination.

To this very date the Soviet Government has not been willing to take a positive decision on our national situation and thereby condemns the Germans in the Soviet Union to their inevitable extinction as a nation.

The remaining 1.8 million citizens of German nationality have deliberately been scattered throughout the vast regions of Siberia, Central Asia, Kazakhstan and other areas. The decrees of 1955 and 1964 rehabilitated the Germans in the U.S.S.R. politically, but they have cemented their deportation.

As a consequence of this development, the Germans in the Soviet Union have been deprived of any possibility of cultivating and preserving their native language and culture.

We share the view of the United Nations that the immortality of a nation is established in its language and culture, that every nation not only wants to have enough to eat but also to be "eternal", that no one would like to vanish from the face of the earth without trace (UNESCO periodical *Courier*, October 1972 – Ajtmatov). This also applies to us!

The language of a people is a generally valid asset which no nation and no State may abuse. Any attack on the language and culture of a small people and its destruction through compulsory assimilation is a crime against humanity.

In view of the fact that the repeated representations of the Germans in the U.S.S.R. to the Soviet Union with regard to the restoration of their national autonomy have remained a "cry in the wilderness", we have concluded that we must move to the historical homeland of our ancestors – to Germany (GDR and FRG), where we hope to find all the conditions necessary for our national evolution.

For a long time the Germans living in the Soviet Union

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have suffered injury to their innermost human sentiments – their national pride and the feeling that they have a homeland is entirely objective and lawful. It is also a result of the many years of unfounded accusations and suppression.

Although the Germans, through their work, have rendered an active contribution towards the national income, and although they have helped to create the economic basis of the U.S.S.R., they have been deprived of their economic possibilities of maintaining and further developing their national language and culture. Although they total about two million people, the Germans do not have one national theatre, no art centre, no schools, not one national monument, etc., whereas other nations of roughly the same size or even smaller have their own union or autonomous republic with all the privileges this entails.

The Germans in the Soviet Union, like all peoples on earth, enjoy the benefits of general culture and technological progress; they have radios, television, and they go to the cinema, but none of this has anything in common with the national character of their civilisation.

Today there is no basis for the existence and development of the Germans in the Soviet Union as a nation. They have been deprived of their fundamental condition – national statehood and autonomy.

Hence we are convinced that for the Germans in the Soviet Union who do not wish to be assimilated and lose their ethnic unity there is only one solution – to leave the Soviet Union and settle where the greater proportion of the German nation live, in their historical homeland Germany. (2)

This petition, which may be said to reflect the feelings of many minority groups in the Soviet Union now faced with "Sovietization", has been ignored by the Soviet government.

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FOOTNOTES

(1) Results of the 1969/70 Population Census, Vo. IV, Moscow 1973.

(2) White Paper on the Human Rights Situation in Germany and of the Germans in Eastern Europe, CDU/CSU Group, Bonn, 1977.

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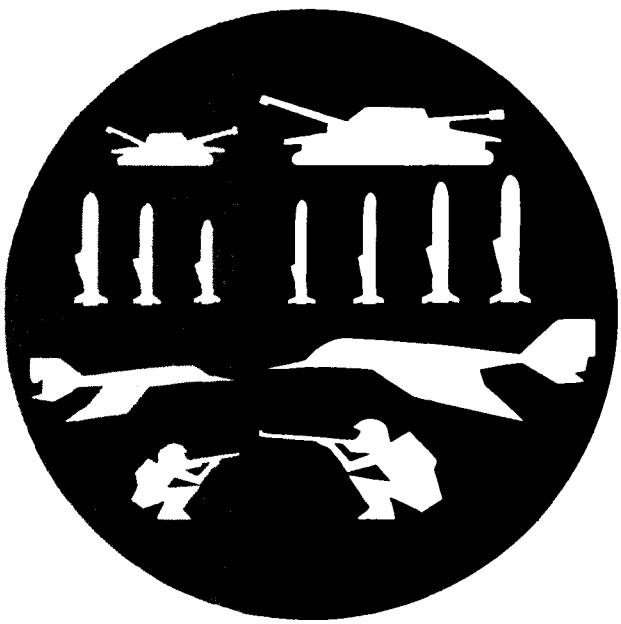
A New Strategy for the West

Daniel O. Graham



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CHINA'S QUEST FOR AFRICA

By Dr. Daan S. Prinsloo

Major power intervention in the affairs of Africa largely takes the form of a series of one-act plays, with the Soviet Union as the leading actor in each of these successive dramas. The role of the United States is one of a relatively powerless supporting (or opposing) actor. China has been relegated to a member of the audience, jeering at the antics of the other two major actors, in particular at the Soviets, for the Soviet Union has at least temporarily assumed the role to which China herself aspires on the African stage.

The activities of the communist powers in Africa primarily reflect the overall pattern of Sino-Soviet relations. For the first few years after 1949, China's foreign relations were dominated by the Soviet Union, but as a result of differences over questions of ideology, tactics, and internal and external affairs the split between the two leading communist powers came to a head in 1960. This led to a full-scale and wide-ranging dispute that affected the foreign policies of both countries. It is not exagerated to state that most of China's activities in Africa can be attributed to its conflict with the Soviet Union, rather than a belief in or commitment to any African cause. China's interaction with Africa does not form part of what can be termed a Chinese African policy, for there is little evidence of a distinct, unique and clearly formulated "African policy" in China's foreign relations. China's activities in Africa must consequently be viewed in relation to the global pattern of its overall policies.

China sees Africa as being part of the Third World. On the one hand Africa, in the Chinese ideological world view, forms part of the "countryside" of the world (Third World) that has to be mobilized in the revolutionary struggle to conquer the "cities" of the world (the industrialized First and Second World). On the other hand, and in terms of pragmatic consideration, it is China's intention to forestall the possible extension of Soviet influence in those areas of Africa (and the rest of the Third World) where the withdrawal of the colonial powers has left a potential power vacuum. It is clearly evident

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that there are not necessarily any contradictions between China's ideological perceptions and her pragmatic objectives in Africa. There is some evidence that Chinese policies in the post-Mao era might be more flexible and less dogmatic than before. However, the basic ingredients of the structure of international relations, as perceived from Peking, have remained largely unchanged.

China's Vision for Africa

China's interaction with African states can be viewed from many angles. The Chinese leaders themselves have on many occasions explicitly stated the principles upon which its policies are supposed to be based. However, these are no more than moralist principles designed to make their policy more acceptable to the audience to which it is directed.

The overall stated principles of Chinese foreign policy are contained in the famous Five Principles of Coexistence. (1) These are: mutual respect for each other's territorial integrity and sovereignty; non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence.

During the historic visit of Chou-En-lai to Africa in 1963 and 1964, which marked the beginning of China's diplomatic offensive in Africa, Chou enunciated his own "Five Principles for Africa." (2) These were:

1. China supports the African peoples in their struggle to oppose imperialism and old and new colonialism and to safeguard national independence.
2. China supports the governments of African countries in pursuing a policy of peace, neutrality and non-alignment.
3. China supports the African peoples in their desire to achieve unity and solidarity in the manner of their own choice.
4. China supports the African countries in their efforts to settle their disputes through peaceful consultation.
5. China holds that the sovereignty of African countries should be respected by all other countries, and that encroachment and interference from any quarter should be opposed.

The basic theme that runs through these principles and statements is that China respects the sovereignty of the African countries; endeavours to help them gain, retain and regain this freedom; accepts their right to solve their own problems; and to

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protect them from encroachment by other powers.

China is not only outspoken about the broad idealistic principles governing her interaction with African states, she is equally vociferous in stating the broad strategy through which she aims to implement her policies. This is the point where the divergency between stated principles and actual policies begins to emerge.

Despite any contrary claims, it is clear that China's African overture is not philanthropically motivated, and that by participating in African affairs, China aims to contribute to her own strategic, economic and ideological objectives.

China's activities in Africa can therefore be seen as being motivated by the benefits which she might eventually reap from the African continent. Her aim to replace the Soviet Union as the leading communist power, and the secondary claim to be the vanguard of the world socialist revolution, would most certainly not be realised if Peking strictly adheres to the spirit of her stated principles of foreign policy. Therefore China has to formulate and execute policies through which she can maintain overt friendly relations with her diplomatic partners, and simultaneously move forward in her global quest, in shaping her Third World united front, in winning the favour of individual states, and in fermenting revolutions in those and other states. China's massive propaganda campaigns play a major role in attaining these diverse goals. While being directed in such a manner that the different aspects of the total strategy in fact reinforce one another so as to present a certain consistency (and thus credibility) in its global context, care is taken to give the impression of Chinese identification with the African states and their struggles. Thus, China plays on pan-Africanist, anti-imperialistic and anti-white sentiments on the continent by suggesting that ". . . . we *coloureds* must stick together." (3) This theme has continuously cropped up, especially in verbal struggles with the Soviet Union, with the purpose of combatting Soviet influence in Africa. At the same time this policy helps to foster African identification with the Chinese revolutionary model.

China's interaction with Africa is therefore conducted by means of its dual strategy of struggle and alliance, in pursuing long-term ideological objectives and short-term pragmatic techniques, and in varying its strategy according to the

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circumstances.

Peking's long-term global objective is nothing less than the advancement and eventual triumph of world communism achieved by means of revolution under Chinese leadership and on the pattern of the Chinese or Maoist revolutionary model. This is the real goal of long-term Chinese foreign policy. (4)

Peking seeks to achieve this objective by becoming the leader of the countries of the Third World in the struggle against "United States imperialism" and "Soviet revisionism," with the states of the Second Intermediate Zone as a neutral or possibly supporting force. In this way the encirclement of the "cities of the world" can be achieved. This strategy is summarised in Lin Piao's famous blueprint for victory:

> "Taking the entire globe, if North America and Western Europe can be called the 'cities of the world', then Asia and Africa and Latin America constitute the 'rural areas of the world'. Since World War II, the proletarian revolutionary movement has for various reasons been temporarily held back in the North American and West European capitalist countries, while the peoples' revolutionary movement in Asia, Africa and Latin America has been growing vigorously. In a sense, the contemporary world revolution also presents a picture of the encirclement of cities by the rural areas. In the final analysis, the whole cause of world revolution hinges on the struggles of the Asian, African and Latin American peoples who make up the overwhelming majority of the world's population." (5)

In the process of world revolution, Africa is therefore seen as an integral part in the unfolding world struggle. In fact, in the secret Bulletin of Activities of the People's Liberation Army which found its way to western sources. Africa is seen as:

> both the center of the anti-colonialist struggle and the centre for East and West to fight for the control of an intermediate zone, so that it has become the key point of world interest. The general situation is the forced withdrawal of the old colonialism from Asia, or at least a large part of Asia, and the changing of the last battlefield to Africa. (6)

Within its long-term ideological framework, Peking has to formulate narrower strategies to extend its influence in Africa,

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which, as part of the Third World, occupies an important place in China's policies. Peking's overture to Africa can, in view of China's relative isolation from the U.S.A. and the U.S.S.R., be seen as an attempt to end its isolation from world politics. Thus the constant warnings to Africa:

> It is now clear (to the African people) that U.S. imperialism is their No. 1 enemy . . . The Soviet revisionist renegade clique, U.S. imperialism's No. 1 accomplice, has spread all kinds of revisionist fallacies far and wide in Africa, to cater to the needs of U.S. imperialism. (7)

China's propaganda onslaught therefore seeks to attack and belittle the U.S.A. and the Soviet Union, in an attempt to isolate them from Africa. The envisaged united front with African states acts as a two-pronged fork: in one way it acts to strengthen China's international position, while in the other it serves as a phase in the preparation of national democratic revolution in the African countries:

> Among the independent countries in Africa, if only one or two of them complete a real national revolution, solving their own problems of resisting imperialism and reaching an internal solution of a democratic national revolution, the effect will be very great, the time ripe for action, the revolutionary wave will be able to swallow the whole African continent, and the 200 million and more Africans will advance to the fore-front of the world. We should take long-range views of this problem. (8)

The united front, which is China's name for her own unique brand of imperialism and colonialism, should therefore start in certain areas where the revolutionary spirit prevails, and where leaders are found who are sympathetic to Peking's views. These leaders need not however be ardent revolutionaries themselves: the armed struggle and united front tactics will see to it that the real revolutionary and socialist leaders emerge from the masses.

The tactics which are to be employed are to achieve rapport with the individual African country, establish diplomatic, military, economic and cultural relations with it, and from there to permeate the ideas of social revolution through the country by means of trained revolutionary cadres:

> After the gaining of independence by colonies and semi-colonies the governing parties will make some changes. Among the political leaders there are not many leaning

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> towards the left, quite a few lean towards the right, and those truly supporting neutralism are also not many. But there must be some among them who lean towards the left. Those leaning towards the right cannot basically cancel the national revolution, and this will cause them to lose the confidence of the people and be driven out of politics. Their successors can carry out the hope of realizing the national democratic revolution. (9)

In applying a pragmatic short-term policy in Africa, China must be selective in choosing the correct strategy for each state and for every situation. China consequently utilises every known technique to further its policy implementation. These include formal intergovernmental relations such as normal diplomatic and political interaction; informal foreign policy instruments, such as cultural exchange programs, economic aid, military aid and training, technical assistance, overt information programs; and also covert and clandestine actions such as the use of intelligence agencies, aid to militant leftist opposition groups, and mass-indoctrination programs by means of printed material and broadcast services.

China has some history of mainly indirect contact with Africa, (10) arising from naval visits, maritime trade, and voyages to Arabia in the fifteenth century, and Sino-African trade through Arabia for at least six centuries. Up until 1949 the Chinese government had shown little real political interest in Africa, except perhaps in connection with overseas Chinese resident in Africa. None of the independent African states at that time recognized Peking, but in 1949, the CCP leaders proclaimed Peking as the ideological leader of revolutionary peoples involved in freedom struggles in colonial and semi-colonial societies. The Peking government was, however, at that stage in no position to implement any of these ambitious ideals.

The following years of communist rule were aimed primarily at securing domestic unity and security, and for the next six years there was little contact with the leaders of African countries, except in the form of casual meetings with representatives from African states attending meetings in Moscow, and the occasional visit by African revolutionary leaders, e.g. Walter Sisulu, to Peking. (11)

Following the Sino-Indian agreements in 1954 and the

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publication of the Five Principles of peaceful coexistence, China gradually started to shift its focus to Africa. The first formal contact between Chinese leaders and leaders from African states occurred at the Bandung Conference in 1955. Present at the conference were leaders from six African countries, Egypt, Sudan, Ethiopia, Liberia, Libya and the Gold Coast, as well as representatives of several revolutionary movements from Africa. (12) Although Bandung marked the official commencement of Sino-African relations, it seemed at that stage as if African affairs still did not rate a high priority in Peking. The contact established with Nasser of Egypt resulted in a cultural agreement with Egypt in May 1955, followed by a trade agreement in August. This was followed by the establishment of full diplomatic relations between Communist China and Egypt in May 1956. (13)

During 1957 China increased its cultural contact with Africa and also increased its propaganda broadcasts in Arabic. (14) From 1957 to 1962 China supported the struggle of the FLN in Algeria, (15) and in the granting of independence to Algeria, China received a further boost in its propaganda offensive, citing its role in and support of the Algerian guerrilla struggle. (16)

The convention of the First Conference of Independent African States held in Accra in April 1958 provoked much favourable comment from Peking, while at the same time Africa gained priority in China's foreign relations, probably due to the beginnings of the Sino-Soviet dispute. (17) As a result of the differences between Moscow and Peking, China increased its propaganda offensive towards Africa, initiating an English-language news service to Africa, while the New China News Agency opened its first office in Cairo in 1958. This News Agency later expanded to Rabat, Conakry and Accra, forging a bridgehead for its diplomatic and intelligence services.

The increasing intensity of the Sino-Soviet dispute was soon noticeable in the respective attitudes of these two states towards African Affairs. The difference initially centered around their respective relations with Algeria, Cameroun, and the Afro-Asian Solidarity movement. The basic difference, however, revolved around the Soviet view of peaceful co-existence and the Chinese militant and revolutionary pronouncements. The split between the two communist powers,

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and the imminent independence of a large number of African states, soon forced a dramatic change not only in China's relations with Africa, but also in the affairs of the African continent in general.

The years 1960-1965 comprise a distinct phase in China's relations with Africa, marking China's greatest diplomatic successes to that stage. During 1960, altogether 17 African states became independent, and three more states recognised Peking. (18) China was understandably opposed to and doubtful about the peaceful means by which these states became independent, because they received their independence on western terms with western-type constitutions, and without waging any revolutionary struggle. China therefore had to devise new ways through which she could divert African nationalism into socialist revolution.

Despite the shift to the left in China's domestic policies at that stage, and the serious setbacks suffered by the Chinese economy in 1960 and 1961, China's political, economic, cultural and military intervention with Africa increased steadily. China decided to recognise the new African states despite her reluctance to accept the manner in which they received their independence, and irrespective of whether those states reciprocated the recognition. During 1960 Ghana, Mali and Somalia recognised Peking. (19) In September 1960 Sekou Toure became the first African head of state to visit Peking, (20) while altogether 88 delegations from Africa visited China. (21) During 1961 Sierra Leone and Tanganyika, and during 1962, Rwanda, Burundi and Algeria, all became independent, as did Tanganyika and Congo (Gizenga in Stanleyville) in 1961, and Uganda in 1962, established diplomatic relations with Peking. (22)

The Congo crisis of the early 1960's offered China another opportunity for attacking the Soviet and American policies in Africa, while Peking gambled on the revolutionary potential of the troubled situation. After the disintegration of federalism, law and order in the Congo in 1960, and the murder of the pro-Moscow premier Lumumba, Gizenga set himself up as head of government in Stanleyville. China immediately recognized the Gizenga faction and sent a resident ambassador in July. After the reconciliation between Gizenga and Adoula, Peking withdrew its ambassador in September. (23)

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During December 1963 the Chinese Foreign Minister, Chen Yi, visited East Africa, and attended the Kenyan independence celebrations. Within the space of two weeks China established diplomatic relations with Zanzibar (December 11), Kenya (December 15) and Burundi (December 23), placing China's relations with the states of East Africa on a strong foundation. (24) At the same time Chou En-lai embarked on his historic African mission lasting from December 14, 1963 to February 4, 1964. During the course of his tour he visited Egypt, Algeria, Morocco, Tunisia, Ghana, Mali, Guinea, Sudan, Ethiopia and Somalia. (25) His aims were mainly to explain China's policies and attitude towards Africa to the African leaders, to state China's viewpoint on the nuclear test-ban treaty, to elicit support for a sccond Bandung-style Afro-Asian conference, and to expand China's relations with Africa. Chou's attempts to help convene a second Afro-Asian conference met with failure. Although it had been decided to hold the conference in Algiers during June 1965, Algeria requested a week's delay of the conference only a month before the planned date, as a result of domestic upheavals. Following the Algerian coup on June 19, most of the prospective attendants felt that the conference had to be postponed. Peking immediately recognized the government of Boummedienne, and with support from Nasser, pressed for the continuance of the conference, and for the exclusion of the Soviet Union. (26) Following strong protests from many African leaders, China finally abandoned its attempt to proceed with the conference, thus suffering a major political defeat in Africa. The year 1965 also marked the beginning of a long phase of similar setbacks for China in Africa, starting with the suspension of relations with Burundi after allegations that they had been involved in the assassination of premier Ngendandunmwe during the Hutu revolution against the Tutsis. (27)

The Cultural Revolution had not only caused profound domestic upheaval, but also the near cessation of all of China's external relations. Between 1967 and 1969 Peking's embassies were headed by charges d'affaires, with the exception of the embassy in Cairo where the veteran Huang Hua remained in his post. (28) Another setback occurred when Bokassa seized power in the Central African Republic in January 1966, and broke off diplomatic relations with Peking a few days after the

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coup, accusing pro-Chinese extremists of plotting to seize power . (29) Dahomey also severed relations with Peking in January 1966 after the take-over by General Soglo. China's biggest setback in Africa occurred when Nkrumah was overthrown in Ghana in February 1966. The coup was ironically staged on the same day that he arrived in Peking for a visit to China. The new government demanded the immediate withdrawal of all Chinese technical experts and the reduction of the embassy staff to eighteen. Diplomatic relations between the two countries were suspended in October 1966, and the Chinese embassy staff recalled home. (30)

China suffered further diplomatic setbacks with the evacuation of the embassy in Tunisia in September 1967, and the deterioration of relations with Kenya, which resulted in the recall of the Chinese ambassador at the beginning of 1967, and the expulsion of the charge d'affaires in June. (31)

The troubled years of the Cultural Revolution certainly left its mark on Sino-African affairs, causing the number of African states with which China had diplomatic relations to decline to only thirteen by 1969. Despite this, China still managed to continue nominal relations, and even improved relations in some areas — the most important event being the agreement to finance the Tanzam project, China's greatest achievement on the African continent.

The end of the Cultural Revolution in 1969 signalled the return of relative calm in China's domestic affairs as well as in its relations with Africa. In October 1970 Equatorial Guinea recognized Peking. In November of the same year a joint Sino-Ethiopian communique announced the establishment of diplomatic relations between the two countries. A number of states recognized Peking during 1971: Nigeria (February) Cameroun (March), Libya (June), Sierra Leone (July), Burundi and Senegal (October), and Rwanda and Togo (November). During October Emperor Haile Selassie of Ethiopia embarked on a six-day visit to Peking, while other visitors included Ramgoolan of Mauritius and Barre of Somalia.

China's improved relations with Africa continued during 1972, and by the end of that year a total of 29 states had established diplomatic ties with Peking. (32)

After the notable advances in China's diplomatic position during 1971 and 1972, the next two years were marked by the

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consolidation of these successes. However, the April 1974 army coup in Lisbon indirectly triggered a series of events that led to a clear setback for China in Africa. (33) Throughout the course of the revolutionary struggles in the Portuguese territories, surface manifestations of what appeared to be strong Chinese influence on the revolutionary movements were reported in the Chinese media. These propaganda pronouncements created the impression of a Chinese influence much larger than it ever was, while it was the Soviet Union who in fact supplied the bulk of assistance to the struggles.

The apparent division of the revolutionary movements into pro-Soviet and pro-Chinese camps was mainly the result of a so-called liberation conference which was held in Khartoum in 1969. The six movements popularly characterized as being pro-Soviet, and who were invited to this conference, were the ANC(SA), ZAPU(Rhodesia), SWAPO(South West Africa), MPLA(Angola), PAIGC(Guinea-Bissau) and FRELIMO (Mozambique). The theory that these movements were merely pawns in the Sino-Soviet struggle was strengthened by a statement issued in London by four of the pro-Chinese movements, the PAC(SA), ZANU(Rhodesia), UNITA(Angola) and COREMO(Mozambique). The extent of Soviet control over the strongest movements meant that China could only opt for the separatist movements who were small and largely ineffective. (34)

The granting of independence to Mozambique in June 1975 and Angola in November 1975, under Frelimo and MPLA governments respectively, was a major blow to Chinese aspirations in southern Africa, and relegated Peking to a poor second in the race for influence among the radical states in Africa. This was probably the major factor which prompted a definite switch in Chinese tactics towards Africa during the past two years. This switch amounted to the abandonment of covert revolutionary tactics, and the acceptance of traditional methods of interstate relations to try to improve China's standing in Africa, while simultaneous attacks were made on the Soviet Union and the United States for meddling in the affairs of Africa.

The deaths of Chou En-lai and Mao Tse-tung in 1976, the elimination of the "gang of four," and the appointment of veteran diplomat Huang Hua (who spent much of his career

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in Africa) as the new Minister of Foreign Affairs, did not alter the course of this new Chinese offensive in Africa.

Today in the pattern of major power intervention in the affairs of Africa, the Soviet Union remains the leading actor playing a highly aggressive role, with the United States less overtly active. There are indications, however, that China will slip from the audience onto the stage, and the outcome of the struggle between the two other actors may well determine what role China has to play in any forthcoming drama on the African continent.

FOOTNOTES

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(25) *Peking Review*, December 1963 to January 1964.

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INFLATION IN ISRAEL: THE FAILURE OF WAGE AND PRICE CONTROLS

By Donald L. Losman

Israel has experienced almost continuous inflation for its entire 29 year existence, the average annual rate being roughly 9-10 percent. Such rates of price increase were at one time unthinkable in the U.S., but with American inflation of 8.8 percent in 1973, 12.2 percent in 1974, and 7.0 percent in 1975, there are many who believe that a new norm may be in store. Others are alarmed at this substantial increase in inflation rates and hold that significant measures must be undertaken to contain inflation to 3 percent or less. Table 1 shows annual price increases for both the U.S. and Israel from 1948 through 1971. The table clearly shows the substantially higher Israeli rates of inflation and the worsening of inflation which began in 1966 in the U.S. Although any comparison of the Israeli and American economies shows tremendous differences, there are important similarities which should lead us to regard the Israeli experience as an example to American policy makers of how not to react to inflationary symptoms.

At the outset, the clear and direct relationship between rising prices and increases in the money supply should be stressed. Not surprisingly this relationship, manifested in almost all historical studies of inflation throughout the world, holds true for Israel as well.

> Over the period from 1949 to 1971 as a whole, money supply increased at an average annual rate of around 19 percent, slightly less than the combined (and compounded) increase of the real GNP and its price level, which came to about 22 percent. (1)

In the Israeli case, price level movements generally followed money supply changes with a time lag of about ten to twelve months. This paper will take increases in Israel's money supply and the accompanying rates of inflation as given data, with no attempt at detailed explanation. Instead, the policies pursued to eliminate inflation or mitigate its effects will be examined.

The reader, however, must bear in mind the essential relationship between the money supply and the price level. If there is an increase in the money supply unaccompanied

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Table 1
Annual Rates of Inflation
Israel & the United States

1949-1971

Year	*Israel**	*U.S.***
1949	% 2.4	% -1.8
1950	-6.6	5.8
1951	13.7	5.9
1952	58.0	0.9
1953	28.4	0.6
1954	12.2	-0.5
1955	5.9	0.4
1956	6.4	2.9
1957	6.4	3.0
1958	3.3	1.8
1959	1.6	1.5
1960	2.2	1.5
1961	6.7	0.7
1962	9.5	1.2
1963	6.8	1.6
1964	5.2	1.2
1965	7.7	1.9
1966	8.0	3.4
1967	1.6	3.0
1968	2.1	4.7
1969	2.6	6.1
1970	6.1	5.5
1971	11.5	3.4

*1963 = 100 **1967 = 100

Source: Bank of Israel, Annual Reports; Federal Reserve Bulletin.

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by a corresponding increase in production, the additional money will have to be absorbed in some fashion. There are several ways this can be done. All the new money could be hoarded — this form of saving would soak up the additional purchasing power. If, on the other hand, all the additional money were spent, thus adding to the previous amount of money being used to purchase output, prices will be driven up to levels at which the limited amount of society's goods could be rationed among the multitude of demanders who now are bidding for those items with increased purchasing power. The increased money is thus absorbed via higher prices. If the creation of new money is a one-shot injection (rather than continuous), prices will rise sufficiently to absorb the extra purchasing power and then stabilize at new, higher levels. Another possibility is the use of the new purchasing power for the procurement of foreign goods, which would eliminate pressure upon domestic prices (since the availability of foreign supplies is akin to increased domestic output, both of which will absorb the new purchasing power), but perhaps aggravate balance of payments problems. Yet another possibility is the net transfer of funds to the government, which holds the money idle, such as sufficient taxation to allow a budget surplus. In actual practice, all these theoretical possibilities, to varying degrees, may prevail, although hoarding is the least likely since money during inflations is a depreciating asset.

Early Background

Without getting into the peculiarities of the Israeli situation, into the politics of governmental goals and actions, suffice it to state that in the early years of statehood, particularly the austerity period of 1948-1951, there was continuous government deficit spending financed by money creation. From December, 1948, through September, 1951, the money supply increased from 103 million Israeli pounds to 252 million, about 145 percent, (2) with increases in production of less than 35 percent. Accordingly, substantial inflationary pressures developed as this enormous growth in purchasing power sought outlets. In April, 1949, the government announced maximum prices for most goods and introduced comprehensive rationing of clothing, food, and raw materials. Hence, price controls and rationing were utilized as an attempt to suppress inflationary

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pressures.

Consumers, with growing money incomes, were unable to dispose of the funds since price controls did not allow rising prices to absorb the new money and low output coupled with rationing did not permit increased purchases at the controlled prices. However, money was not hoarded. Instead people took their funds and bought non-essential goods (which were not price-controlled) or purchased essentials on the black market. The latter, of course, is a free market (one in which prices respond to the movements of supply and demand) either involving a good deemed illegal or at prices decreed to be illegal. Hence, the rapid increase in Israel's money supply, in excess of additional production, was absorbed in three basic ways: 1) the creation of black markets, in which prices were quite high, for price-controlled items, 2) rising prices for uncontrolled, non-essential items, and 3) growing purchases of foreign products.

During this period, however, the official cost-of-living index, maintained by price controls, did not rise. Indeed, by a series of administrative decrees prices were reduced during 1949 and 1950. While governments may decree prices (although enforcement of such decrees is not always possible) they cannot decree output. Hence, despite the 14 percent decline in the official index, there was relatively little which could be purchased at controlled prices. Shortages of essentials, whose supplies were not forthcoming at the allowed prices, became commonplace. The official cost-of-living index was fictitious because it "almost completely ignored the prices of the growing black market, which became particularly important after the unanticipated overnight introduction of clothing and footwear rationing on August 1, 1950." (3) Black markets became so widespread that the published price index departed increasingly from the realities of life for the consumer. Table 2 compares black market and official prices. It shows that the "in the street" price for sugar was 25 times the controlled price, while rice sold for 10 times the official price. The continually expanding money supply, coupled with growth of the black market, a drought in the 1950-1951 winter which reduced agricultural supplies and thereby aggravated price pressures, and the general public's recognition that the official cost-of-living index meant nothing forced a

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reassessment of government policies. An important additional factor was the critical foreign exchange situation. Both shortages and high black market prices led to heavy purchases of foreign products and the nation's foreign exchange reserves were rapidly diminishing. In short, the "system could no longer sustain the inflationary pressures." (4)

Table 2
Individual Black-Market Prices and Their Relationship to Official Prices[a]

1951&1953

		September 1951	*May 1953*
Fresh Meat			
black-market price[b]		4.000	6.000
ratio to official price		7.7	3.0
Poultry	price	4.500	5.000
	ratio	4.5	2.1
Eggs	price	0.100	0.120
	ratio	3.2	1.7
Margarine	price	1.500	2.000
	ratio	6.8	4.4
Edible oil	price	2.000	2.500
	ratio	9.3	5.6
Sugar	price	1.750	1.800
	ratio	25.0	10.0
Coffee	price	3.500	6.000
	ratio	2.7	1.8
Rice	price	0.600	2.000
	ratio	10.0	14.3
Potatoes	price	0.400	0.180
	ratio	5.7	1.2

a. Prices are per kilogram except for eggs (per unit). Data refer only to Tel Aviv.
b. Prices quoted in Israeli pounds.

Sources: D. Patinkin, *Studies in Monetary Economics*, New York: Harper & Row, 1972, p. 79.

A new course was steered, one in which 1) there was an

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attempt to ease further credit creation and 2) to relax price controls so that the previous suppressed inflation could work itself out. Interestingly, this latter policy of disinflation required that prices rise, at least for a period, in order for the past growth in the money supply to be absorbed. By holding down further monetary growth, but allowing prices to reach market-clearing levels, it was hoped that stability of the price level could be achieved. A second goal of the new policies was the elimination of price distortions. Controls, by their uneven coverage and arbitrary manipulation, had resulted in a lack of balance in price relationships. (5) For example, the high price of labor relative to that of capital led to the unwarranted usage of capital, a factor in short supply, and the economizing of labor, a relatively abundant factor. Imports were priced too cheaply relative to domestic goods. These and many other distortions had been spawned during controls and were retarding economic progress.

Price Controls in Operation

Food items were a major portion of the typical budget and the largest single category in the official cost-of-living index (41 percent of the 1951 index). In 1949 some 62 percent of total food outlays were price controlled, this coverage steadily being increased, reaching 95 percent in 1951 and then steadily dropping under the new economic policies. (6) As mentioned; controlled prices were reduced by government fiat, producers generally being forced to lower prices by reduced profit margins, but also through reduced tariffs and selected subsidies. Price ceilings were usually based upon production costs plus a reasonable profit margin. Hence, whenever costs went up, either profit margins had to be further squeezed or maximum prices raised. Artificially low controlled prices tended to reduce supplies, as did diversion of goods to the growing uncontrolled (illegal) markets. With consumers clamoring for goods and producers clamoring for higher prices, the government was forced to allow gradual upward adjustments in controlled prices.

Price controls were administered by a staff of over 3,000, a relatively large number for a nation of less than 1.4 million persons (in 1950). Inspectors made frequent visits to stores and consumers were encouraged to report control violations.

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Courts to deal with "economic offenses" were established and empowered to levy heavy fines and sentences, and a variety of administrative techniques employed to discourage contravention. Rubner reports of the control ministry's "valiant efforts to thwart the resulting black markets through mass arrests, road blocks, the checking of personal luggage of travellers," (7) and related inspections. It should be noted that during the initial period of controls the public generally cooperated in abiding by them, but as time passed the black market became increasingly important and touched almost every aspect of Israeli life.

As shortages became more acute however, black markets spread and contravention of the regulations became commonplace. A 1950 government study indicated that Israelis were consuming 26% more food than the official rations allowed, "paying for this excess amount at black market prices which exceeded the official ones by 129%." (8) Indeed, entire sectors of the economy were dominated by black market practices and violations of controls were so flagrant as to include illegal purchases by the central government and municipalities and the flouting of regulations by cabinet ministers in their private activities. (9) The temptation for producers to sell at the much higher black market prices coupled with the desires of consumers who confronted continuing shortages made enforcement of price controls virtually impossible.

In an attempt to provide citizens with equal quantities of necessities, ration books were issued, entitling the recipient families to specific amounts of goods at the controlled prices. Such rationing, however, must have allocations designed for the "average" family since entitlements to the same commodities are given to all. Inasmuch as all populations in fact are heterogeneous, every family has unique tastes and values its rations differently. This, too, promotes the contravention of regulations. For example,

> members of the oriental communities . . . sold on the black market those food items which they were unaccustomed to using. New immigrants also sold rationed goods, or coupons, because their low income did not permit them to fully exploit their ration books even at official prices. (10)

Further, raw materials were allocated to firms on the basis of past operations (rather than allowing them to bid), which

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not infrequently led to the receipt of resources inappropriate to current needs. Such materials tended to be black-marketed by those not needing their current allocations to firms which had greater current requirements. Black market activities were so widespread and such an integral part of Israeli life that the judiciary became reluctant to enforce or mete out the heavy sentences which were provided in the law. Further, in damage suits official prices were frequently deemed unacceptable as measures of value.

The price and physical controls were not only expensive in terms of their planning, implementation, and enforcement, but highly deleterious to the efficiency of the economy. The controls brought on shortages which interrupted production and created unemployment. Further, it "was demoralizing for those few firms who obeyed the letter of the law to make losses . . . while the majority reaped illicit profits." (11) The implementation of controls also encouraged the cartelization of Israel's economic structure so that oligopolistic elements were stronger in the post-controls period.

The control of prices encouraged barter transactions and in kind payments, means of exchange far less efficient than the use of money, but more difficult for detecting price control violations. Controls also introduced numerous distortions. Entrepreneurial talents were switched from their ordinary activities to finding ways to divert goods from official to black markets.

> The black market prices were appreciably so much above the official prices that it became a commercial poposition for entrepreneurs . . . to draw factors successfully away from more economical forms of production to employment on their high-cost production processes. (12)

After controls were abolished the waste which this entailed became clear. With the rise in official prices and the subsequent withering away of black markets, these uneconomical forms of production ceased being profitable. "Hundreds of workshops and small factories had to close down." (13) Additionally, inasmuch as the excess purchasing power in the economy could not be absorbed via rising prices on controlled goods, prices on uncontrolled items increased doubly. This introduced another bias into the price system. For those businesses which did not wish to contravene controls, instead of producing

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for the black market, they shifted production into areas of high prices where there were no controls, particularly non-essential items. For example, with the price of potatoes and other vegetables controlled so that there was no reasonable profit to be had in their production (and sale at official prices), those farmers "who disdained the production of black market goods, turned their valuable irrigation facilities to the production of such uncontrolled luxuries as flowers." (14)

Controls also spawned visible deterioration in quality. "Shopkeepers either refused to sell at all or made conditional sales, they opened their shops late, and of course, there were long queues." (15) Output sold at official prices tended to embody inferior (cheaper) inputs so that quality of products was reduced. Lastly, controls for a time nurtured the illusion that inflation was being contained and therefore reduced pressures for early and effective action via more appropriate tools. To summarize, the Israeli attempt to "bottle up" inflation via price and physical controls not only failed in its goal of fighting inflation, but led to numerous distortions and retarded the economy's operating efficiency. As Greenwald has suggested, "with strong demand pressures, controls must be multiplied and enforcement becomes increasingly difficult." (16) Furthermore,

> not only does control become more costly the longer it is applied, it becomes more difficult to abolish. The public accumulates excessive purchasing power, and the danger grows that the lifting of controls will produce an inflation far worse than the one price control was designed to prevent in the first place. (17)

From September, 1951, to July, 1953, the relaxation of price maximums allowed prices to rapidly rise, the official price index increasing by 150 percent. (18) Relaxation of controls was deliberate and the price rises anticipated, the purpose being the absorption of the excess demand generated during the austerity period. Ironically, then, a policy of disinflation may well entail a rapid jump in prices. Further, the true increase in the cost of living is again not correctly depicted by the official indices, although in this instance the increase was probably exaggerated (as opposed to the previous underestimation). This is true because with the slowing of the growth of the money supply (beginning in September, 1951, growth fell from roughly

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2.5 percent monthly to 1.5 percent monthly) (19) and the absorption of purchasing power by the higher official prices, blackmarket prices, unrecorded in the official index, rose far less than legal ones. Some even fell, while the differential between official and blackmarket prices clearly declined. As table 2 indicates, the ratio of blackmarket to official prices for meat, poultry, and eggs was cut in half, while the rate for potatoes, once 5.7 times the official price, became roughly equal to it. Hence, the rise in the "true" cost of living was exaggerated by the official figures.

Two additional measures to absorb purchasing power were employed, 1) a forced loan on all bank deposits and most types of property and 2) a budget surplus. It was considered somewhat of an achievement that the cost of living rose by only 28 percent during 1953. The period of suppressed inflation had thus been replaced by one characterized by bursts of disinflationary price increases, with 1954 or 1955 bringing a new period, one of controlled inflation in which annual price increases averaged 5 - 6 percent. The new economic policy also included a devaluation. Israel's inflation had priced its goods out of world markets; with these higher prices, only a reduced value of the Israeli pound itself could restore Israel's exports to international competitiveness. The period 1956-1961 witnessed steady growth and falling unemployment. The monetary authorities, however, were still unable to keep the rate of increase in the money supply from outstripping growth in output, although the distance between the two variables became much closer. (20) Price and physical controls were progressively eliminated and finally abolished in 1959, although governmental manipulation of prices via taxes, subsidies, and administrative enactments was a continuing phenomenon. Hence, "disguised" or indirect price controls may be said to have replaced direct controls.

The Experience of the 1960's and 1970's

The devaluation in early 1962 was inflationary. It raised the price of imports, but failed in its aim of reducing foreign purchases because of the expanding money supply and because cost-of-living provisions in most contracts magnified the higher costs due to increased import prices. "The ineffectiveness of monetary and fiscal policies in restricting demand led the

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government to try an income policy." (21) with a Price Office and other bodies created to nudge, jawbone, and administratively coerce producers to keep prices in line. The 1962 policy called for voluntary wage restraint and no price increases above the higher import costs. Nonetheless, wages rose by 12 percent, one-third of which was due to cost-of-living adjustments, with the remainder arising from a phenomenon known as wage drift. By this device average hourly pay may be increased without any formal increases in rates of pay. In an inflating economy, those sectors experiencing strong demand often find that they must pay more for inputs, including labor, if they are to continue to be supplied with sufficient resources. In the face of a national policy against raising rates of pay, there would be excessive labor turnover and job-switching (as employees seek new, higher paying positions) if no increases were effectuated. Hence, employers tend to pay fictitious overtime or grant bogus promotions in order to grant higher wages, yet remain within the "guidelines" concerning rates of pay.

In 1963 a freeze on both wages and prices was instituted, the price freeze being continued into 1964, while wages that year and the next were to adhere to a 5 percent guideline. Despite support for the guidelines from the national labor federation, wages rose by 10.5 percent in 1963, 11 percent in 1964, and by 18 percent in 1965 when the government, with an eye to the elections later that year, raised hourly wages for public employees not by the planned three percent, but by 24 percent! (22) Measures to control industrial prices achieved limited success; controls for services and housing were wholly ineffective. "This was apparently one of the main factors responsible for the slowing down of industrial development and the overexpansion of services" (23) which led to the severe recession of 1966. An added cause was the abrupt ending of the speculative boom in construction. Inasmuch as it is virtually impossible to price control new construction, prices soared in housing, thus attracting investment funds from the more successfully controlled industrial sector. When it became obvious that overbuilding had occurred, construction activities ground to a halt. Further, the incomes policy, by successfully limiting some industrial price increases, reduced domestic supplies and thereby aggravated the trade deficit

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as purchasers sought foreign suppliers and potential exports, artificially low in price, were diverted to the home market. Almost all authorities deem this experience a complete failure.

> Between 1962 and 1964 the inflationary process caused the demand for labor to increase, wages broke all institutional bounds, and wage increases were effected mainly by mass promotions on existing scales: wage drift accounted for about two-thirds of total wage increases . . . (24)

The government was forced to embrace highly restrictive monetary and fiscal measures, with 1966 bringing a recession which reached its low point in the spring of 1967. The economic difficulties arising from inflation and recession created broad public support for effective action, and thousands of persons voluntarily took wage cuts in an effort to break the inflationary spiral. The national labor federation agreed to waive cost-of-living pay adjustments. Hence, rising "unemployment accomplished what the previous use of an incomes policy alone had failed to do . . ." (25) Unemployment also ended wage drift. With national unity holding strong in the post-Six Day War (1967) period, the government was able to implement a wage freeze through 1969, keep pressures upon producers to minimize price increases, and contain expansive fiscal actions. As tables 1 and 3 show, inflation during the 1967-1979 period was very low and wage increases were very moderate. The incomes policy implemented during the second half of the 1960's was applied during a period of high unemployment, buttressed by an unusual amount of national unity, and supported by some additional autonomous factors. At least one economist (26) contends that the policy did reduce wage increases below what the unemployment situation itself would have done. Nevertheless, it appears clear that without government monetary and fiscal restraint, high unemployment, and very strong national unity, an incomes policy could not have had any effectiveness.

Despite the dismal record with price controls, direct and indirect, in August, 1971, following the devaluation of the Israeli pound, direct controls were reinstituted with the purpose of allowing price rises only in areas which embodied imports (which had become more expensive). The guidelines set allowed for price increases of 4-8 percent overall, but during the first

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nine months controlled prices rose between 9 and 16 percent. Price increases of this magnitude reflected neither cost nor demand factors, "but were the outcome of political compromises and were harmful to economic efficiency." (27) It is inevitable that when governments enter the picture to influence or direct market prices, there will be bargaining and pressuring and it is unlikely that the resulting prices will accurately reflect underlying scarcities or productivities. The manufacturing sector, having the least political clout, was granted the lowest price increases, which adversely affected investment and exports. In some areas controls served to push prices even higher. In apartment construction, for example, there had been excess demand and firms had been selling apartments two and three years in advance. In the face of controls firms held back on advance sales and as a result, the demand for second-hand apartments (not under price controls) soared and prices rose substantially. As in earlier situations, controls tended to reduce supplies and bias production. By the end of 1972 the futility and counter-productive nature of controls was so obvious that most were suspended and the legislation ignored.

The Cost-of-Living Allowance and Escalation Devices

The cost-of-living (COL) allowance system has been an integral part of Israeli life for almost the entirety of Israel's existence. The system was initially introduced in 1942, prior to the founding of the state, when Palestine was a British mandate. An inquiry commission studying wage problems under wartime price increases recommended that a) wage allowance be paid in accordance with changes in the cost-of-living, b) changes in the allowance were to be calculated every three months, and c) the allowance was to be paid only on that amount of wages which fell below a specified figure (so that the allowance might or might not cover the entire wage, depending upon the size of the wage). The system was put into practice by the signing of an agreement between Histadrut (national labor federation) and the Manufacturers Association and this established a pattern which has prevailed since that time, although the specifics have frequently been changed. For example, the interval between payments has been varied, formally lengthened in 1957 from three to six months

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(although in practice it is often one year). Additionally, the percentage of the basic wage receiving the allowance has been continually raised, and lastly, the basis of calculation, the basket of goods whose prices are measured, has been intermittantly changed. Under inflationary conditions, when the real value of financial instruments – bonds, medium and long-term contracts, interest, and wages – continuously falls, there is always a search for stability, for a means whereby nominal values can maintain their real values. The COL and various attendant linkage schemes arose in response to this need.

In 1949 escalator clauses for loans were first introduced. Although private initiative rather than government gave major impetus to such linkage, the Ministry of Finance began to offer value-linked bonds, which at first were poorly received but later seemed to become a necessity if the government were to be capable of marketing its bonds to voluntary buyers. In 1954 the Lehmann Committee recommended the linking of most government loans, either to the cost-of-living index or to the official exchange rate, the percent linked varying directly with the length of the loan. Thus given government encouragement, value-linking spread throughout the economy. Since 1957 almost all life insurance contracts have had redemption values and premiums so linked.

Israel was thus the first nation to have escalator schemes permeating the entire economy. Its experience with such a system is great and it is still probably the most value-linked nation in the world. The pervasiveness of linkage is well depicted by Rubner:

> Rabbinical courts gave judgements for separation allowances tied to the cost-of-living index . . . the Hebrew University signed an agreement with the Students Union according to which the fees were automatically adjusted with changes in the cost-of-living; the same applied to annuities and pensions . . . severance pay, benefits due . . . from provident societies . . . (28)

The history of value-linkage in Israel is an interesting one and provides some insight as to what might be expected elsewhere. As mentioned, by administrative fiat prices were reduced during the austerity period (1949-51) and the Histadrut agreed to wage rate cuts on three occasions as a consequence of the fall in the

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official COL index. Linkage, then, could result in a lowering of wages (and other linked items) a condition probably only dimly perceived, if at all, when linkage was first introduced. According to Weiss, the manipulation of the COL index in order to maintain or reduce prices became a "central aim of price control." (29) After price and physical controls were dismantled in 1952, a department within the Ministry of Finance was specially created to "guide" movements of the index.

> The cultivation of the art of 'influencing' the index was developed to a fine degree and pursued on several fronts. Thus in 1955 and 1956 the rationing of certain vegetables, for a few weeks only, was reintroduced in the 'decisive month,' i.e. the month laid down in the national wage agreement as being that in which the size of the cost-of-living bonus during the coming period would be determined . . . In the winter of 1957 the Government promised the Kitan company a lucrative loan . . . provided it reduced the price of certain of its articles that happened to appear with a heavy weight in the cost-of-living index. (30)

Rubner has called the cost-of-living index the "golden calf of the Israeli economy," with deliberations "on possible alterations in the statistical weights of certain items in the 'index-basket' " proceeding "on the highest political level." "Movements of the cost-of-living index are not mere statistical exercises but headline news in the Holy Land." (31)

It should also be recalled that changes in the official cost-of-living index did not generally correspond to changes in the "true" cost-of-living, the index undervaluing the actual rise from 1949 to 1952 and probably overestimating it from 1952 to 1955. Since 1955 manipulation of subsidies and administrative procedures has again served to make the cost-of-living minimize the actual decline in purchasing power, although the index is now a much more accurate guide to changes in the cost-of-living.

Generally, cost-of-living adjustments are not made unless the cost-of-living has increased by 3 percent or more compared to the level of the last change. At first the adjustment was to take place every three months, but this later gave way to semi-annual adjustments. During the past decade adjustments have sometimes been made only once per year or, for reasons to be

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explained, bypassed. Until 1959 cost-of-living arrangements covered only those businesses having formal labor contracts, roughly 80 percent of the labor force. After 1959 it was to be enforced everywhere, although in practice it has not been.

According to the Bank of Israel, the aim of the COL allowance is to "automatically adjust the level of wages to that of prices, and thus reduce friction in labor relations and the dislocation of production" (32) which might occur if workers resorted to strikes as a means of ensuring that their wages keep abreast of inflation. It further states that the purpose is to "protect the existing distribution of income between wage and non-wage earners" (33) against arbitrary changes wrought by inflation.

The appeal of linkage to the public basically derives from the desire for protection against falling real income during inflation. A periodic wage adjustment, based upon changes in the COL, assists labor in keeping up with the cost of living. This is also true of interest and rents. The practice, accordingly, generally has a broad public appeal. On the other hand, with almost all contracts tied to the COL, a rise in the price index is automatically (with a lag) transmitted throughout the economy, thus raising incomes and costs and is seemingly a source of further inflationary pressure. Further, because cost-of-living adjustments are exempt from income tax, cost-of-living increases raise net income to a greater degree than gross income. It should, however, be pointed out that total wage increases due to the cost-of-living allowance do not fully match the change in the cost-of-living because there is a ceiling on which the adjustment is calculated, generally some 55-60 percent of a worker's total wage payment and because there is still 15 percent or more of the work force which is not covered in practice.

Table 3 shows the actual change in average hourly wages as well as the change in such wages due to cost-of-living adjustments alone for the years 1962-1969. For three years, 1962, 1964, and 1966, the COL allowance accounted for about one-third of the total wage boost, while in 1963 the adjustment accounted for 60 percent. Clearly, the COL played a significant role in determining absolute levels of wages.

What assessment can be made of the COL system? Israeli economists seem agreed that the COL system has prevented

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Table 3
Changes in Average Hourly Earnings
and Cost of Living Adjustments

1962-1969

Year	*Actual Change in Average Hourly Wages*	*Wage Changes due to COL Adjustment*
1962	12.0 %	4.0 %
1963	10.5 %	6.3 %
1964	11.0 %	3.7 %
1965	18.0 %	4.0 %
1966	19.8 %	6.6 %
1967	4.0 %	none
1968	-0.2 %	none
1969	3.2 %	none

Source: Bank of Israel, Annual Reports

numerous labor disputes which would have occurred in the absence of an automatic device for maintaining the income division between labor and capital, or between various grades of labor, when the existing distribution is distorted by price increases. This seems to be the major advantage, but at the same time it brings with it several disadvantages. By increasing money rates of return as the cost-of-living increases, the scheme tends to maintain real incomes in the face of inflation. However, if the government deems it in the national interests to lower real incomes, either by devaluation or indirect taxation, the COL system tends to negate these efforts. For example, devaluation, by making a currency less valuable in terms of others, reduces the ability of a people to procure foreign goods, thus lowering their real incomes. The devaluation is motivated by severe balance of payments problems and, to be successful, requires that the volume of imports be curtailed. However, if domestic money incomes are automatically

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increased due to devaluation-inspired reductions in purchasing power, the level of imports tends to be maintained since citizens now have greater incomes which tend to offset the reduced external purchasing power.

The linkage system in government securities introduces another variable into the devaluation decision itself because there will be an increase in the interest payments and redemption requirements associated with any given volume of national debt. Value-linking thus introduces an additional hurdle to what is always a difficult decision.

A COL system also reduces an economy's flexibility in adjusting to change. If an inflating economy is cooled by a recession, as was the Israeli case in 1966, COL changes can reduce employment and output. The recession brought reduced profits and falling employment; however, the 7 percent COL wage adjustment, reflecting earlier inflation, simply drove wages up, reduced profit margins further, and led to further lay-offs. Smoothness in the economy's costs and prices is also disturbed. Instead of cost and price changes occurring in small doses at a variety of intervals, such increases tend to come in "lumps."

The use of cost escalation devices also tends to dull incentives to efficiency and cost-cutting. For example, in the construction industry, builders offer bids and buyers tend to accept the lowest, thereby entering into fixed dollar contracts. If inflation drives up materials costs, the project price is nonetheless fixed and the producer must either take special pains to reduce other costs, increase efficiency, or accept a reduced rate of return. With escalation devices, on the other hand, all contracts tend to be on a cost-plus basis. Bids contain COL clauses. When materials prices increase, the producer is under less pressure to cut costs elsewhere since the final project price will also increase.

Does such a system lead to self-sustaining inflation? Once prices rise, for whatever reason, will not the automatic increases in wage and other contracts further raise the cost of living, thus requiring further COL adjustments, more inflation, still more adjustments, *ad infinitum*? For most of Israel's history, the answer is negative. Three factors, in particular, are responsible for this. First, the COL adjustment has a wage ceiling and does not cover total wages except for lower income workers. Second,

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not all wage earners are covered (although the great majority are). Lastly, the time lags in making adjustments reduce the likelihood of self-perpetuating inflation. In view of these considerations, it appears very unlikely that the escalation system was a major independent determinant of continuing inflation. This, of course, does not deny a "ripple" effect, i.e., price increases are transmitted by such adjustments. But these ripples will fade and the COL system by itself would only lead to a new equilibrium at higher prices rather than continually rising prices without any equilibrium being attained.

It is of interest to note that some of the problems related to the COL were apparently so significant that they caused both business and labor to agree to periodic waivers of the COL adjustment. One last point merits note. Leonard Woodcock has persuasively argued that cost-of-living protection clauses are anti-inflationary since basic wage demands will be moderated when employees know they are protected against erosion of their real wage by inflation. Israeli experience, however, suggests that this is not correct. As table 3 indicates, despite substantial COL wage boosts, basic wages nonetheless increased significantly and far in excess of productivity gains. In 1966, for example, the basic wage increased 13 percent at a time when the COL adjustment alone was 6.6 percent!

Conclusion

Inflation in the 1970's has been extremely severe, with price increases in 1972 of almost 13 percent, rising to 20 percent in 1973. The existence of growing excess demand forced the authorities to allow official prices to increase by 100 percent in 1974. During that year COL adjustments were demanded on four occasions, with the annual rate of inflation almost 40 percent. The repeatedly demonstrated conclusion of Israeli experience is that attacking inflation via direct and indirect controls, without eliminating surplus demand, cannot succeed. Further, a number of particular lessons stand out.

1. There is a clear, direct relationship between a rising money supply and rising price levels.

2. The Galbraithian notion of continuously maintained price controls permanently fixing prices is illusory. Even controlled prices cannot be held constant in the face of growing excess demand.

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3. Price controls attack only the symptoms of inflation. They do not eliminate inflationary pressures; they simply redirect or temporarily suppress them.

4. Wage-price controls, when enforceable, are counter-productive in that they create numerous distortions which lead to inefficient use of resources, thereby causing further price/cost pressures.

5. In the face of a growing money supply or when a population is already accustomed to methods of avoidance, such controls are not enforceable.

6. Incomes policies and guidelines are ineffective. Curbs on incomes are only accepted after unemployment is substantial, at which juncture there is little need for such policies since existing slack in the economy by itself tends to moderate wage-price pressures.

7. Price level escalation devices minimize the income re-distribution inequities of inflation, but reduce an economy's flexibility, reduce incentives to combat inflation, and augment balance of payments problems.

8. Cost-of-living clauses are no guarantee that wage demands will be limited to productivity gains.

9. Successful efforts at breaking the wage-price spiral necessitate restrictive monetary-fiscal policies. The longer the application of such policy is delayed, the more likely it is that recession will result.

FOOTNOTES

(1) M. Michaely, *Foreign Trade Regimes and Economic Development: Israel*, New York: National Bureau of Economic Research, 1975, p. 19.

(2) D. Patinkin, "Monetary and Price Developments in Israel: 1949-1953," originally published in 1956 in Jerusalem, and reprinted as Chapter 4 in D. Patinkin, *Studies in Monetary Economics*, New York: Harper & Row, 1972, p. 78.

(3) Ibid., p. 59.

(4) Nadav Halevi and Ruth Klinov-Malul, *The Economic Development of Israel*, New York: Frederick A. Praeger, 1968, p. 258.

(5) See D. Losman, "The Private versus Public Sector: Lessons of Israeli Development Experience," *Intercollegiate Review*, Winter-Spring, 1972, pp. 60-61.

(6) Yoram Weiss, "Price Control in Israel," *Economic Review* (Of the Bank of Israel), March, 1971, p. 73.

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(7) Alex Rubner, *The Economy of Israel*, New York: Frederick A. Praeger, 1960, p. 57.
(8) *Ibid.*, p. 60.
(9) *Ibid.*
(10) Weiss, p. 77.
(11) Rubner, p. 63.
(12) *Ibid.*, p. 64.
(13) *Ibid.*
(14) *Ibid.*, p. 65.
(15) Weiss, p. 86.
(16) Carol Schwartz Greenwald, *Recession as a Policy Instrument*, Rutherford: Falreigh Dickinson Press, 1973, p. 7.
(17) Weiss, p. 86.
(18) Weiss, p. 75.
(19) Patinkin, p. 62.
(20) The failure was not due to sheer ineptness on the part of the monetary authorities, but instead to a complex of factors, including heavy capital inflows, conflicting policy objectives, relatively undeveloped capital markets, and political expediency, to name just a few influences.
(21) Carol S. Greenwald, "Price-Wage Controls: The Israeli Experience," *New England Economic Review*, Boston: Federal Reserve Bank of Boston, January-February, 1972, p. 3.
(22) *Ibid.*
(23) Abba Lerner and Haim Ben-Shadar, *The Economics of Efficiency and Growth*, Cambridge: Ballinger Publishing Company, 1975, p. 95.
(24) Klinov-Malul, p. 274.
(25) Greenwald, "Price-Wage Controls," p. 8.
(26) Greenwald, "Price-Wage Controls."
(27) Lerner and Ben-Shadar, p. 96.
(28) Rubner, p. 96.
(29) Weiss, p. 86.
(30) Rubner, p. 54.
(31) *Ibid.*, p. 53.
(32) Bank of Israel, *Annual Report 1966*, Jerusalem: Jerusalem Post Press, 1967, p. 252.
(33) *Ibid.*, p. 253.

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THE IRISH TANGLE

By Patrick Mahony

Dedicated to my dear friend, the late Dr. Eugene Zador, who wanted to know more about the Irish Question.

"Oh, I met with Napper Tandy and he took me by the hand. He asked me 'How is good old Ireland, tell me just how does she stand?' " So sings a famous Irish ballad about the man who himself was immortalized in what is perhaps the greatest Irish ballad, *The Wearing of the Green*, once used clandestinely as the Irish National Anthem. His question has been sounded often throughout the years and the many answers to it are as varied as the thousands of books written about Old Erin.

I have travelled extensively in my ancestral country, especially in the Republic, and I know of no other land where the consciousness of its history is reflected in its scenery. There is in it seemingly thoughts of the past in all the mournfulness which insistently obtrudes on the contemplation of mountain, lake, bog and even the beckoning escarpments. Even the climate, which is damp and depressing with an humidity laid on by the Gulf Stream, is piteously eloquent of Ireland's unhappy past and the persecution by her oppressors. Also, in such picturesque paradises as Glengariff or Killarney, where the scenery is rich with an almost exotic radiance, what with the plethora of tree-ferns, palms, bamboos and also Californian eucalyptus, one feels the brooding presence of the bitter human struggles that have been lived or fought there. For me the appeal of Irish scenery is mitigated by an overwhelming sense of tragedy which the lovely folk songs also portray. The mournful music and scenery itself seems to say that Ireland is a land of paradox and problems.

Climate has much to do with the life-mode of the southern provinces which are the home of caressing rains, leaden or very capricious skies with sudden squalls; or soft enfolding mists. The main characteristic of this climate is an equable, enervating humidity which is inviting to human inertia and it fits very congenially into the Irish spirit of lethargic fatalism. But it is this climate which has given the entire southern part a soil of extraordinary fertility, the best grazing land for cattle in the

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world. This has made the Irish lazily fond of grass-farming rather than of tillage, which the Republican government finally had to legislate to make compulsory! Indeed the very stillnesses which grass-farming creates are quite different from those of other agricultural lands. They make for a pervading feeling of listlessness and discontent.

It cannot be stressed too strenuously that there are two different Irelands, diametrically opposite to each other in every way — the South and the North. Since as far back as the Norman times these two factions have been the sport of events that seemingly could not have been altered. Fate has subjected them to missed opportunities for which neither was really responsible. It would seem as if the tragedy of the clash between these opposites unfolds itself with all the inevitability of a Greek drama in which men fight against the will of the gods and the gods eventually win! However, fate played into the hands of both when it kept the Roman legions busy in Britain, thus saving Ireland from a devastating Roman occupation which might have changed its personality completely — and adversely — for all time.

The present tragic dilemma in which the North and the South find themselves enmeshed is not only about the difference of religion, which is more of a political football; or of territorial demands. It is a clash of two separate temperaments and racial minds. First let us examine the man we know today as the Irishman, usually from one of the southern counties, a man who is known for being glib-tongued and who has a reputation for losing his temper but never his temperament.

Long disputes among anthropologists about whom the early aboriginal Irish settlers were have raged for years, but it is generally believed that the Picts hold this distinction. They were apparently a race of dark haired men and women, of relatively short stature. Some scholars call them Atlanto-Mediterraneans, and link them with other indigeneous populations of western Europe, such as formerly inhabited prehistoric France and the Iberian peninsula. But as the legendary Firbolgs, these people already spoke a Celtic language, and so it is impossible to say whether they were themselves true Celts or whether in prehistoric times they had perhaps been conquered by an earlier and unknown wave of Celtic immigrants, whose language, and princely, martial traditions

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they had assimilated.

The Firbolgs as these first known inhabitants of Ireland were called, fought many wars against a seaborne raiding people known as the Formorians, who had their stronghold on Tory Island off the Atlantic coast, only to be invaded and conquered by a tall and fair complexioned people known as the Tuatha De Danaan – true Aryan Celts, from whom Eire derives its name (O.Ir. *Aire* = "noble"). The Danaan established their aristocratic rule throughout all of the Irish lands except Connaught, which was left to the Firbolgs, and remained in control of Ireland until around 1000 B.C., when the Milesian Celts succeeded in defeating the Danaan, and established a patchwork of small principalities throughout the entire island. It was from the subsequent fusion of Picts, Formorians, Firbolgs, Danaan and Milesians that the "cocktail" which we know as the modern Irishman was formed. Phoenician traders also visited Ireland, bringing the wares of Tyre, Sidon and the Mediterranean ports with them, but although these oriental traders were well received in the courts of the Celtic princes, and may have infected the Irish with their love of bartering, their genetic contribution could have been only miniscule.

Of some importance racially was the invasion of Norse Vikings at the end of the Eighth Century. It was in A.D. 832 that Turhesius took Armagh by shock tactics, then sailed up the Shannon to plunder the huge and beautiful monastery of Clonmacnoise (now the most lovely ruin in all Ireland). The army of Turhesius made other forays into Ireland from Scandinavia before being defeated by Malachy, King of Meath. Other Norse forces returned again and again, finally victoriously turning Dublin into a walled city on the high ground south of the River Liffey. Here and other coastal cities, the Danes held out for almost two hundred years.

If the Irish kingships had then been consolidated they would have likely dispelled the Norsemen invaders, but some of the kings even allied themselves with the enemy, especially the King of Leinster, and it took the great King Brian Boru (940-1014) to annihilate the Irish-Norse coalition. On Good Friday 1014 King Boru's army stood on the east bank of Clontarf where the Danes had fortified themselves in front of their ships. All day the battle raged and by evening the majority of the Danes were

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driven away onto their ships or drowned. Sadly, Boru was killed by a Danish sniper, but many Danes remained in Ireland to live on cordial terms with the natives, and the influence of Danish ancestry can be seen among the many Irish redheads. Further Scandinavian blood came in with the Normans, especially in counties such as Wexford and Wicklow.

There are suggestions among the long tracts of Irish history that survivors of the terrible storm that wrecked the Spanish Armada, settled in Ireland in large numbers. Some people deludedly argue that this ancestry accounts for the dark complexion and Hispanic features of so many Irish men and women one sees in certain parts of the country.

Historic facts simply do not bear this out. In early July 1588 the great Spanish fleet sailed from Spain to meet its doom. In the running fight of July 29th, all the huge unwieldly vessels were driven from the English Channel and sought a desperate escape by turning north to Scotland. It was hoped that by passing round the Orkneys, a way home would be found via the west of Ireland. It was not until the 5th of September that the first ships were sighted along this coast when "there blew another most extreme wind and cruel storm."

The local Irish stood "at gaze" on the tremendous spectacle of the thirty vessels odd contending with this terrible tempest. They then alerted everyone far and wide, all greedy for the spoils. The struggling survivors received short shrift from the native Irish because the English Government had already issued a proclamation offering, dead or alive, a good price on every Spanish head. The entire Irish nation was at war against Spain and today one hears an amusing ballad confirming those times:

"Oh, who will plough the field now and who will sell the corn?
Oh, who will wash the sheep now and make them nicely shorn?
The stack that's in the haggard, unthrashed it will remain
Since Johnny went a-thrashing the dirty King of Spain."

What few Armada survivors who managed to hide themselves and marry Irish women are as unimportant racially as the Spanish seamen who brought sherry to West Coast ports and who left behind pregnancies. In County Kerry I have actually seen the *La Paloma* sign, sculptured in local clay, left over door-

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ways of cottages by sailors visiting from Spain in the Eighteenth Century. These are to be found in the Dingle Peninsula, but the chances that the sailor returned to marry the girl are not on record!

Another isolated and curious strain of a Spanish origin is found in the Waterville district of County Kerry, near where Daniel O'Connell was born. Here a colony of Sephardic Jews settled as refugees from the pogroms of Ferdinand and Isabella in the Sixteenth Century. In addition the late President de Valera was half-Spanish, being the son of a County Limerick mother and a father who was a travelling musician from Cuba. Somehow they met in New York City and gave birth to the man whom the British dubbed: "the Spanish onion in the Irish stew!"

Another unimportant but poetic race within the galaxy that make up the present Irish population is that of the Tinkers who seldom, if ever, marry within the native peasantry. They are a distinct race apart and are not to be confused with gypsies. They insist they are no relationship with the Romanies and speak a different language. There must be a couple of thousands of them in Southern Ireland, camping in the countryside and their origin remains a mystery. One sees them often in their caravans, complete with families and animals. All over Ireland Tinkers are unpopular, traditionally suspected of possessing occult powers, and of the poisoning of wells and the casting of spells. They are thought to have the power to cause cattle plagues, or crops to fail, and in certain municipal ordinances they are forbidden to camp within the town limits for more than one night: but that does not prevent them from rejoicing a night later around some other of their smokey fires.

These poetic and misunderstood people have attracted Irish writers such as Bryan MacMahon in his *Children of the Rainbow*, which won the Literary Guild Selection in America some years ago. He tells how they offer services such as knife-grinding or sharpening farm implements and many of them seem to own the power of prophecy by palm or crystal readings. In MacMahon's opinion they are a displaced aristocracy from one of the prehistoric colonizations, which their habits make it difficult to credit. As a rule they are handsome and swarthy, slim of build.

All these elements considered, it is hard to agree that any of

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these miniscule oriental or Spanish influences could account for the dark complexions and curly black hair of the people of western Ireland. In sum total it can be assumed that the basis for the typical Irish personality derives in part from the old Iberian population but mainly from the Celtic invaders who gave the country both its language and its culture.

The key to the present is never more infallibly found in the past than in Ireland. Distinct differences between the Northern and Southern Irish have been in existence, dating from early times. The very life-mode and culture have undoubtedly been influenced not only by geographical contrasts but also climatical psychology. The mountains and forests of the North offered natural fortifications which always enabled the northerners to make easy assaults onto the central plain. Many battles are recorded between these factions in the days of prehistory, and beginning with the First Century, annals refer to a mighty fight between the Knights of Ulster, led by the great Cuchulain, against the powerful Queen Maeve of Connaught. This lady figures in English folklore, too. Significantly Ulster was able to hold out against the English conquest longer than the Southerners, who were always busy fighting among themselves in the latter part of the Fifteenth Century. This allowed the North to come to better terms with the English when, in 1603, they agreed slowly to let in thousands of Scottish settlers who are now called the Plantation Irish. This new colonization became quickly naturalized, intermarried with the natives, and a special type of personality was born. The Ulsterman owns a dour Scottish nature, and is even branded on the tongue with a "whirr" suggestive of old Scotia. His mind reveals a practical, business-like saturninity.

By contrast the Southern Irish mind is mercurial and far more complex than its northern counterpart. The southern Irishman is endlessly varied, quick-witted, discontented, and ready to take offense. He has a passion for procrastination and can be very unreliable, but in an emergency he can often be brilliant. He is a great judge of horseflesh, and the horse is to the Celt what the cow is to the Hindoo. At heart he is a gambler, but one with commercial imagination. An Irishwoman once uttered a sentence to me which sums up the inner feeling of the race. She said: "I know I say more than I mean but I mean every word that I say!"

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Bernard Shaw caught some of the Southerners' character when in *John Bull's Other Island* he made an embittered Dubliner say: "An Irishman's imagination never lets him alone, never convinces him, never satisfies him. It makes him so that he cannot face reality nor deal with it, nor handle or conquer it. We are good at sneering at those strangers who do."

Inheriting this type of racial mind myself, I have to admit that we Irish do too much dreaming with our imaginations, so richly born with us. But we also have the powers of flattery, contemplation, bargaining, and, above all, the power of sympathy. The great Irish poet, William Butler Yeats, recognized all this when he made the penetrating comment that the Southern Irishman tells the truth to himself and lies to everyone else; whereas the Northerner lies to himself and tells the truth to others!

The two great cities, Dublin and Belfast, reflect this difference in their ambience. Dublin has become internationalized since the last war but Belfast remains as provincial as Manchester or Leeds. In the south, the hands of the clock hardly seem to move at all and time is not too important. The southern rural people give the impression that life is merely a game of cards to be played in order to pass the time; whereas in Belfast there is punctuality and punctiliousness in the English sense.

After the English established themselves in Ireland, the greatest mistake they made was to build high walls around their estates and use the native Irish as servitors. The English, now called the Anglo-Irish, persistently put the rights of property over those of humanity and made no attempt to understand the people whose lands they had taken over for development. Another of their blunders was to ignore the fact that the Irish people are a genuinely religious people with a deep fund of spiritual, poetic, and mystical emotionalism within them. They were touched by the genius of Saint Patrick whose main success was in the provinces now belonging to the Republic. The saint himself was positively amazed at the quick success of his teachings, which finally turned Ireland into an ecclesiastical center of learning second to none in all of Europe.

So many stories about his origin exist. The noted Patrician scholar, Professor O'Rahilly has come up with the theory that there were two different saints, St. Patrick Benignus and St.

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Patrick Benedictus; and that hagiographers have been persistently confusing these men. O'Rahilly found that the longevity of disciples averaged well over one hundred years each, which implies that some of them belonged to another saint! Be that as it may, it would seem that the one revered by the Irish all over the world would appear to have been an Italian. He was taken with his parents to England by the Romans. There he was kidnapped during one of the raids on England by King Niall of the Nine Hostages and taken to Ireland. Here he was treated as a slave and became appalled at the low savagery of the native Irish. At first he was assigned to herd sheep in the lovely Glens of Antrim which overlook stretches of awesome ocean, which helped his godly meditations. From here he managed to escape to Europe where he studied for religious orders, vowing at that time to return to Ireland in order to evangelize the unruly Irish.

His return was in A.D. 432 at which time he hurled the "phantoms of paganism" (snakes) into the "Vale of the Demons" from the top of a cloudy peak now called Croagh Patrick in County Mayo. Being a genius St. Patrick thought of everything. He invented the Round Tower, or adapted it from a defense tower he had noticed in Europe. These towers, to be seen today, could house up to fifty monks at his monasteries. By merely immuring themselves and pulling up a ladder, they remained inside until the Norse enemy became bored and went away!

Even currently the subject of St. Patrick is more alive than many a living leader. Once, when in conversation with a fisherman on the River Slaney, he told me that fish were more plentiful because Patrick had blessed the river. The devout Irish always plant potatoes on St. Patrick's Day, which insures a better crop. No one could doubt that he gave the Irish a lasting religion but not a lasting peace. Even in this year of grace social and family ostracism operates to keep all members adhering to the correct religious observances. Yet hatred in family faction feuds continues rampant in the countryside.

For nearly seven hundred years the Irish people have agitated for freedom from Britain's domination. Hatred between the two races, especially between the North and the South, is indeed a very poor advertisement for Christianity. Mainly the Irish can never forgive the British for proscribing their Roman Catholic-

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ism. Under the dreaded Penal Laws proscribing the religion and started in the reign of Henry VIII, the Irish were forced to convert to Protestanism in order to keep the ownership of their land. These laws were revoked in England and Scotland in 1697 but continued to be enforced in Ireland in one way or another until the mid-Nineteenth Century. I have seen in one old country home a Penal Altar which was an enormous dining-room sideboard that converted surreptitiously into sacred use. The majority of native Irish preferred to keep their religion, hence lost their property.

The most bitter elements of Anglophobia derive from Cromwell's Irish days. He landed in Dublin in 1649 with his New Model Army, against which the Irish forces found themselves helpless. He advanced with it to Drogheda, massacred the garrison as well as many of the townspeople. He then marched on Wexford, stormed the town and killed hundreds of its citizens in the bull ring. Many survivors of his raids were transported to Jamaica, which was then purely white, but with the import of black slaves, their descendants eventually intermarried with the blacks who today still speak with accents suggestive of Ireland!

In no time at all the whole of Ireland was in the hands of the ruthless Protector, who then began a land confiscation program transferring ownership from Irish to English hands. Thousands of families expelled from their homes were obliged to walk through the dead of winter to find new homes in Ireland's least hospitable county — that of Mayo, still the most barren in all the Republic.

After the "Cromwellian Settlement" the process of attempted Anglocisation went bloodily onwards for over two hundred and fifty years. Rebellions were repressed by punitive measures. Using indefensible acts of legal chicanery a series of English governments sought to reduce the Irish people to a status of downright inferiority. The incredible lack of understanding of the Irish character by these governments finally led to the terrible uprising in 1916, which was a physical defeat for the Irish but a splendid moral victory. Among many patriots executed by order of an English court was Padraic Pearse, the great Irish poet. This alone alarmed the intellectual world.

The world at large now became apprised of the insidious way the English rulers had invested a small minority of their

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people with all political power, creating a legal, social and territorial ascendancy which had maintained unbroken supremacy for well over a century, as well as the bitter struggle of religious beliefs. Anyone who has attended the festival commemorating the Battle of the Boyne on the Twelth of every July, will attest this religious antagonism. This was the date when the Protestant William of Orange defeated King James the Second in 1690. In his retreat the King complained to the wife of Lord Tyrconnel that her Irish compatriots retreated too soon. "Lady Tyrconnel," said His Majesty, "your countrymen ran away!" The lady, being a good Irishwoman, replied: "Yes. And I see that your Majesty has won the race!"

The English Ascendancy can be harshly criticized, as can be seen, but it is worth noting that it provided quite half of the special beauty to be seen in Ireland today. Those lovely baronial homes and castles with their landscaped gardens which delight the tourists, are the legacy of this system of class distinction, now regarded as having been intolerable and even wicked. Indeed one can make this observation in many countries where the poor have been exploited by the wealthy, but one wonders what the legacy of a classless society would have been in its stead. Countries like Ireland would be very drab places instead of being dotted everywhere by architectural beauty.

Nothing can excuse the English conduct in Ireland, however. Their policies have turned out to have been the worst mistake an imperial country ever made. Inevitably the reckoning came when Southern Ireland sued for and won its independence, which started a fashion for many other members of the British Community to break away and ultimately resulted in the breakup of the British Empire.

Ireland has always been exceedingly fortunate in its "revolutionary" writers, such as Charles Kickham and William Carleton, whose novels brilliantly describe the sufferings and privations of the Irish peasantry in the early part of the Nineteenth Century. These writers showed up the bigotries and barbarities of the Ascendancy system, books which found many readers in the U.S.A. Then came clever playwrights, such as William Butler Yeats, Lady Gregory, Sean O'Casey, and Lennox Robinson, all of whom combined an exhibition of the Irish mind and temperament and also dramatized the

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injustices of England. All of these playwrights became historians in dramaturgy of the Celtic-Irish people, too, what with their rare faculties of creating vivid and realistic pictures of parts of Ireland as they knew them, depicting the people's peculiar defects with their marvellous humor. Never forget that the Irish revolution was a national movement, and not a social revolution as was the Russian.

By the Government of Ireland Act of 1920 the six North-eastern counties were given a status similar to that of the Dominion of Canada, with a parliament subordinate to that of London. This Parliament, which consisted of a Senate and a House of Commons presided over by a Prime Minister, has always elected to remain outside of the Free State in the South. In spite of a continual guerrilla warfare involving terrorism, arson, and outright murder backed by American funds as well as Communist agitators, the Ulsterites have determined to maintain their status because they have all to lose otherwise. If they join the Republic they would lose control of their northern stronghold, as well as the allegiance to the British Crown they so loyally love. Thus in World War I, Ulster poured out a continual flow of war materials and their men gave their lives by many thousands, especially in the Battle of the Somme. In World War II, it did the same and also provided Field-Marshals, such as Alanbrooke, Alexander, Auchinleck, Dill, Montgomery and Templer. The amount of Ulster blood in American Presidents is also remarkable, as in Presidents Andrew Jackson, McKinley, Chester A. Arthur, and Woodrow Wilson.

Meanwhile the Irish Question continues insoluable. Lloyd George said once "The Irish don't know what they want and would not recognize it if they got it!" Granted that the English record in Irish history is very inglorious, one also has to contend with a diabolical twist of history which makes matters very difficult: the factors of religious antagonism and discord coincide and reinforce the hatred instead of cancelling it out as they do in other divided countries, such as Scotland and Wales. Unified aims are currently lacking and historical grievances are being exploited by brutal terrorists.

Grievances have to become forgotten on both sides of the border, and both North and South could then become friends in the same way that reconciliated enemies become often

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firmer allies as if they had never fought. In the last analysis, are not the weaknesses and qualities of both sides such as could become complementary the one to the other? Some day the two temperaments I have tried to describe could turn into a fine working partnership.

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BUSINESS AND ACADEMIA: A NEW ERA?

By John B. Parrish

For nearly half a century, that is, since the founding of the New Deal by FDR and his associates in 1933, the business community and academia have experienced a long period of alienation. Especially among intellectuals in the social sciences, relationships between business and academia have been adversary. Now there are signs of change. The long years of suspicion and hostility may be ending or at least narrowing. This article will briefly enumerate why a new era of more positive relationships may be emerging.

Why Alienation for So Long?

There are many reasons why, for many decades, the business community and academia have been alienated. Much of the anti-corporate, anti-business, pro-government intervention literature originated in the cloistered halls of the nation's great universities. Most of the highly trained professionals who have provided the energy and talent for an ever expanding federal bureaucracy have come from academia. The liberality and lack of discipline shown by college administrators in the turbulent days of the 1960's came as a shock to conservative business leaders. They became skeptical of and alienated from the professoriat in leading higher institutions. The liberal-left academicians created scores of think tanks and activists groups to curb the freedom of corporate executives to operate their enterprises. Yet many of these executives found themselves no match for the verbal specialists of academia in public hearings and debates. Robert H. Bork has summarized the matter very well:

> "The hostility that fuels the attack upon corporations arises from an alliance, or perhaps more properly, a congruence of interests and beliefs between socialists, populists, politicians, and intellectuals. In that constellation the intellectual class seems the crucial element, for it provides the indispensable theoretical apparatus with which the institutions of capitalism are attacked. The academic branch of the intellectual class, which is the creative core, produces an enormous amount of scholar-

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> ship designed to prove that free economic and social processes work so inadequately that extensive governmental intervention is required. This scholarship – because of the academic intellectuals' influence with the mass media, the policy professions, government bureaucracies, and other segments of the intellectual class – has a very heavy impact upon the formation of public policy." (1)

The Case for Continued Alienation

It may be argued that a strong case can still be made for the continued alienation of business and academia. There is abundant research available to show that a large proportion of social scientists are in the liberal-left sector of the political spectrum. It is well known that under this anti-business liberal philosophy, college students tend to move leftward politically during four years of college.

The liberal intellectuals have entrenched themselves solidly in the federal bureaucracy both in the protected civil service and on Congressional staffs. Their power and influence has been even extending. They have become affluent pursuing anti-business objectives. They cannot be shaken out of these power centers easily.

The left leaning intellectuals have utilized federal grants and liberal think tanks, as the Brookings Institution, to take care of themselves nicely when out of high government posts.

Having achieved access to the distribution of federal social activist money, the liberal intellectuals have built up a vast political constituency reaching down to dependent organizations from the biggest urban centers to the smallest rural hamlets.

Faculty appointments almost always require the approval of the faculty in a given discipline. It is well known that in some social science departments in prestigious institutions, all the meritorious candidates are found to be liberal-left. No conservative need apply. Thus the welfare state philosophy of academia will be self-perpetuating.

Signs of Significant Change

Despite the fact a strong case can be made for the continued alienation of academia and business, close observation of recent

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events suggests that an even stronger case can be made for rapprochement. Significant changes are now under way within both academia and business which promise to usher in a new and more constructive relationship.

Changes Within Academia. The old Liberal Establishment, consisting of academicians, government officials, lawyers, liberal think tank groups, labor officials, civil rights leaders, politicians, was, for many years, a fairly united movement and played a dominant role in national policy formation from 1933 to around 1965. Then a series of events followed that shattered the unity.

The academic liberals after 1956 became disillusioned with the Liberal Establishment. They made a quiet exit which weakened the creativity of the liberal movement. The fact that this exodus was accompanied by a number of Jewish intellectuals indicates its significance, for as pointed out by Stephen J. Tonsor:

> "The most important single development in the intellectual movement at present is the political and social alignment of America's Jewish intellectuals . . . the Jewish intellectuals are the visible tip of the iceberg." (2)

The second wave of disillusionment spread through academia. It involved the very center of the Liberal Establishment ideology. It was unbounded faith of academic economists in Keynesianism. Suddenly in the early 1970's, this faith was shattered. As Irving Kristol writes:

> "The Keynesian orthodoxy is showing clear signs of sclerosis, even sinility. It cannot explain the key economic phenomenon of our time, 'stagflation'."

Then a third event took place. A group of rising young academicians in the social sciences, began to publish a new type of literature. Their research revealed many of the liberal forms of government intervention such as drug regulation, 'head start', manpower training, minimum wages, unemployment compensation, etc., were not working the way they were supposed to. In fact many proved to be counterproductive. Another shock wave was sent through academia and the now less-certain academic liberals.

Up until about 1968, the nation's colleges and universities were a heady place for intellectuals. From 1950 to 1965 academia was a professional seller's market. Real wages rose

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fast as administrators struggled to find teacher bodies for classrooms. Federal money for research became ever more plentiful. Employment expansion in the federal government offered an easy step ladder to positions of prestige and power and a return trip to academia at higher levels. Academicians became cocky and sometimes arrogant in this environment. They could criticize business and the Conservative Establishment with impunity. This changed significantly after 1965. Output of Ph.D.'s exceeded job openings. Rising costs and falling enrollments caused many established small private schools to close. Even big schools slowed hiring. Double digit inflation under Keynesian economics caused faculty living costs to rise faster than faculty money incomes. Academicians, who had advocated ever higher taxes to redistribute to the poor and minorities, suddenly discovered they were the victims of the welfare state they had so ardently advocated. Real incomes of those on welfare rose as their own declined. They found less enthusiasm for reforming the world when their major concern was paying the rent. Thus a fourth wave of disillusionment had occurred further reducing the confidence and vigor of the liberals in academia. It is fair to conclude that academic liberalism is today fragmented, confused, uncertain.

There were always a few conservative intellectuals during the hey day of liberalism. They were seldom listened to. Recently they have been joined by some of the disillusioned liberal colleagues and a new group of young anti-'big government' academicians. They have a new profound respect for the free market. Their numbers are increasing. They are looking for support from business. Will business respond to this "new look" in academia?

The Business Community. Profound changes have recently taken place in the business community just as they have in academia. Business has learned many lessons from the past. The years of alienation from academia have not helped business, but instead have done much harm. Traditional public relations programs to answer the academic and activist critics have not been effective. Remaining silent and refusing to interface with the news media has been a sign of weakness. The traditional policy of contributing to both political parties has not been translated into favorable votes in the Congress.

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Business has found that Congressmen elected with union money do not even bother to grant interviews. Avoidance of politics at the local and state level has only played into the hands of labor's well financed political machine with adverse consequences for business. Business, in the past, has used two techniques for getting its views before Washington policy makers and regulatory agencies. One has been to maintain well financed lobbyists to pursue business interests. The other has been to provide expertise to single industry regulatory agencies with the objective of blunting undesirable regulations and perhaps gains from regulation. Neither of these approaches are working very well any more, especially with the multi-industry regulatory or environmental agencies. The lessons learned suggest the need for new approaches.

Business has also made some new discoveries of late. Despite surveys reporting steady decline in business image, there is, in the general public, a very large reservoir of faith in the free enterprise system. (3) Business has found it has new friends in academia anxious to build bridges with the business community. Reporting on a survey of selected higher schools, Louis Harris recently found:

> "a vastly improved climate for business on campus . . . businessmen should realize . . . a new era has opened . . . There is a feeling business has hidden its light under a bushel. I get a sense of business leaders having been gun-shy for so long it has not merchandised what it is doing . . . faculty . . . by a vote of four to one favored more, not less contact . . . (with business)." (4)

In this new environment, business has discovered another change. Business is no longer the big singular target for public criticism. Big Government and Big Labor have replaced Big Business and taken center stage as the institutions most responsible for social ills and poor economic performance in the public's mind.

New Initiatives and Revitalized Older Programs

The growing "welcome mat is out" for business in academia, and the rethinking of the business community's attitude toward academia, has resulted in an impressive number of new business initiatives and the revitalization of older traditional activities.

New Conservative Think Tanks. In the past, academic liberals

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could look to liberal think tanks, as Brookings, to liberal minded foundations as Ford, Carnegie, to liberal-left government agencies, for research funds, job outlets for publications, sponsorship of seminars, etc. Pro-business, free market conservative academicians had few such outlets or resources. (5) Now they do. Conservative, pro-business think tanks have emerged with strong business support and they have grown with great rapidity and vitality.

The American Enterprise Institute for Public Policy's budget has risen from $1 million in 1970 to $5 million in 1977. (6) The American Heritage Foundation to provide quick scholarly response studies for Congressional leaders was founded in 1970 with a modest budget of $750,000, a staff of 21 and 1,000 contributors. By 1977 it had developed a budget of $1.5 million, a staff of 28 and 50,000 contributors. The Institute for Contemporary Studies was founded in 1974 with a budget of under $100,000 to develop research studies designed to counterbalance liberal proposals. ICS' budget has grown to $600,000 by 1977. The Pacific Legal Foundation was founded in 1973 with a budget of $240,000 to help preserve the free enterprise system and to enter litigation against activists who would go to extremes to curb individual rights and freedoms in everything from welfare to clean air to zoning laws. The Foundation's budget by 1978 was approaching $1.7 million. Its staff has grown from 7 to 44 and contributors had increased from a few hundred to 5,000. Other think tanks include the Foundation for Economic Freedom, (7) the Education and Research Institute of the American Conservative Union, The Educational Foundation of the U.S. Industrial Council, the National Right to Work Legal Defense Foundation, and many others including the Council on American Affairs, publisher of the journal in which this article will appear. (8)

Academic Centers and Program for the Study of Business and Free Enterprise. During the many years of grantsmanship under the liberal anti-business, pro-government intervention political philosophy, there was little or no research money available to academic scholars for the study of, or the defense of, free enterprise. There was very little private money. Conservative academicians saw the need for centers for research into free enterprise processes and the effects of government interference. After 1970 they asked for, and obtained, the

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support of the business community to establish centers. One of the first was the Center for the Study of American Business, Washington University, St. Louis. Others include the Centers for the Study of Private Enterprise, University of California; Center for the Study of Business in Society, School of Business and Economics, California State University, Los Angeles; Center for the Study of Business in a Free Society, American University, Washington, D.C.; Center for Studies in Law and Economics, University of Miami. (9) Others are in the planning stage. In addition, some institutions have started more modestly by establishing mini-centers, that is, special programs or curricula, which, for the first time, focus on the operations of the free enterprise system. Through publications, seminars, workshops, conferences, these centers show great promise for bringing academia and business together and promoting a better understanding of the free market.

Professorial Chairs of Private Enterprise. Closely related to the new centers, and sometimes a part of them, has been the establishment of chairs of professorships dedicated to the study of free enterprise. The first chair was instituted at Georgia State University in 1963. Developments came slowly until after 1970. By 1977 some 26 chairs had been established or were being established in both small and large colleges and universities. (10) The founding of a professorial organization to exchange views among the free enterprise faculty was reflected in the founding of the Association for American Free Enterprise Education in 1976. If this new movement continues to grow, as seems likely, it will be interesting to observe the effects on the socialist-Marxist academicians. If students flock to the free enterprise curriculum, it may prove chastening to the leftists. It could return academia to its original purpose – to serve as a center for the free exchange of ideas. In many liberal-left academic departments across the country, there has been no such free exchange. Instead there has been censorship imposed by Marxist intellectuals in the name of "freedom".

New Conservative Journals and Textbooks. For many years the publishing outlets for conservative academicians was quite limited. *Human Events* has been published since 1944 and the *National Review* since 1953, and *The Public Interest* since 1964. That was about it for many years for those conservative

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academicians who wished to contribute to, or draw from, current literary output. Not so today. Now academicians can utilize many new sources for conservative scholarly papers published in such journals as: *Policy Review* of the Heritage Foundation, *Regulation*, by the American Enterprise Institute, *The Journal of Social and Political Studies*, by the Council on American Affairs and others. And for keeping up currently with the expanding conservative initiative movement there are such media as: *The Right Report, Conservative Digest, Citizens Choice, Battle Line,* and *Public Monitor Report.* (11)

Not too many years ago it was virtually impossible for a faculty member teaching economics to find a beginning textbook that was not either pure Keynesian or neoKeynesian in context. They were almost forced to teach Keynesianism or else prepare new lectures on a tremendous range of economic topics. Not so today. Emerging are some non-Keynesian textbooks that provide some options, e.g., *Economics: Private and Public Choice*, by James Gwartney. The fact that the number of schools adopting this text jumped from 30 in 1976 to 250 in 1977 gives some idea of the sublimated desire of many college teachers of economics to provide their students with something other than the standard Keynesian fare. In the heavily biased area of the social sciences, Roger Pearson's *Introduction to Anthropology* (Holt, Rinehart and Winston, 1974) represents a scientific trend towards more scientific attitudes free from any commitment to "social engineering."

Other Initiatives in Expanding Business-Campus Relations. The last decade has seen a remarkable expansion, almost an explosion, in business initiatives to establish closer relations with college campuses. College courses are being given by corporate executives. Faculty-student-executive seminars are being held to provide 'give and take' discussion of national policy issues. The business community has provided support for special campus courses on the free market. Students are being offered internships to see, first hand, how business operations are performed. Some major corporations have developed films on the free enterprise system for rent to secondary and high schools. Faculty fellowships enable academicians to spend a semester or year working within the business community. Executive-in-residence programs enable corporate officials to spend a week or two, on campus with faculty and

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students. Many corporations have increased their financial support for those academic institutions that give at least equal time to business viewpoints.

The list of new or expanded old initiatives could be extended on and on. (12) Suffice it to say here that never before have so many business units undertaken so many different kinds of efforts to bridge the gap between industry and academia. Business is now fighting back. Rapprochement between business and academia is solidly under way.

What Does the Future Hold?

Business has made some very significant beginnings in its efforts to build new bridges to academia. And in turn it is evident that colleges and universities are more receptive to communication with business than for many decades. The present appears to be the beginning of a new era. Whether there will be intensive carry through remains to be seen. It will not be enough for just a few large corporations to participate. Business will need to exploit all its resources including thousands of medium and small firms. It will need to train its executives on how to deal with the professoriat, with students, with the news media. Verbal skill is a talent that must be cultivated. After developing these skills business now needs to demand equal time to present its views in the collegiate forums, which at least claim to be the protectors of freedom of thought and speech. (13) The opportunities are multitudinous.

FOOTNOTES

(1) Robert H. Bork, "Capitalism and the Corporate Executive," American Enterprise Institute, Reprint No. 75, September 1977.

(2) Stephen J. Tonsor, *National Review*, September 30, 1977, pp. 1106-1107.

(3) See, e.g., *Newsletter*, Survey Research Center, Institute for Social Research, University of Michigan, Spring 1973; John Schafer, "The Public Looks at Business," *Business and Its Image*, conference of National Association of Manufacturers, New Orleans, October 4-5, 1974; "Wanted: A Better Quality of Life," *Exxon*, first quarter, 1977, pp. 23-24; *Career Plans of College Students*, College Placement Council Foundation, 1973.

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(4) Adapted from *Interface: Growing Initiatives Between the Corporation and the Campus Toward Greater Mutual Understanding*, Council for Financial Aid to Education, Inc., New York, New York, November 1977, p. 61.

(5) There were a few institutions as the Hoover Institution for War and Peace but only a few.

(6) Actually AEI was founded in 1943 but it struggled along with very little support for many years. In 1960 its budget was only $231,000 in contrast to the Brookings Institution with $4,000,000. AEI's spectacular growth began around 1970 with the "new" approach of corporate givers.

(7) Established in the Fall of 1976 and activated in May of 1977 under the sponsorship of the National Association of Manufacturers.

(8) For compilations of conservative think tanks and business initiatives consult such compendia as: *Economic Education Reference Manual: Free Market Principles and Programs*, Educational Foundation, United States Industrial Council, Nashville, Tennessee, 37219, 1977, 107 pp.; *Interface: Growing Initiatives Between the Corporation and the Campus Toward Greater Mutual Understanding*, Council for Financial Aid to Education, Inc., 680 Fifth Avenue, New York, New York, 10019, 1977, 67 pp.; *The Intelligent Conservative's Reference Manual*, Human Events, 422 First Street, S.E., Washington, D.C. 20003, 1977, 111 pp.; *Directory of Conservative and Libertarian Serials, Publishers and Freelance Markets*, Dennis Murphy, Compiler, 3404 North Romero Road, Box 4, Tucson, Arizona, 1977, 64 pp.

(9) Correspondence with the various centers.

(10) *The Communicator*, Georgia State University Chair of Private Enterprise, various issues; *A History of the Chair of Private Enterprise, 1963-1973*, Georgia State University, 1973, 36 pp.; "New Teacher on Campus: Professor of Free Enterprise," by Jack Magarrell, *Chronicle of Higher Education*, August 1976, p. 7; correspondence with the Chair of Private Enterprise, Georgia State University.

(11) For an excellent discussion of many initiatives see *Interface* . . . footnote 8.

(12) For an extended list see *Directory of Conservative* . . . footnote 8.

(13) E.g., William Domhoff during the 1977-78 academic year is making a speaking tour of colleges and universities promoting his book, *Who Rules America?* His undocumented thesis is simple: America is ruled by a corporate elite that makes policies only in its own selfish interests to the neglect of average citizens. Business groups should monitor campuses and be prepared with conservative intellectuals to ask for equal time in which to answer Mr. Domhoff's poorly researched thesis which contains as many careless errors and omissions as the Ford Foundation volume: *A Time to Choose: America's Energy Future.*

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SOLZHENITSYN'S INTELLECTUAL TRADITION

By S. K. Carter

The complex nature of Solzhenitsyn's political message, his apocalyptic prophecies of possible imminent collapse of the West, his apparent support for the record of Franco's Spain, his wholehearted rejection of modern capitalism as well as marxian socialism, his great sense of patriotism and nationalism, his rejection of the utility of many technological aids such as specific drugs, his fundamental critique of the general intellectual history of the West, from "Renaissance, Reformation, the Enlightenment, physical bloody revolutions," leading to "democratic societies, socialist attempts," (1) has given rise to some bewilderment among his admirers in the West and East.

It is not easy to summarise Solzhenitsyn's views as a coherent whole, and nowhere does one encounter the term "Solzhenitsynism." The 'progressive' left has long since abandoned any attachment to his views, although it is barely ten years since certain chic Marxists such as Georgi Lukacs referred to him, largely on the basis of 'One day in the life of Ivan Denisovich', as a writer in the school of socialist realism. (2) Others seized on the phrase beloved of Kostoglotov in 'Cancer Ward' ("ethical socialism") as an acceptable mark of that peculiarly narrow secular orthodoxy which is the hallmark of the left. In Andrew Field's neatly modularised *Reader's Digest* summary of "The Complection of Russian Literature," he says "When the first volume of Solzhenitsyn's historical trilogy, titled 'August 1914', appeared in 1972, serious questions about his artistic stature were widely raised for the first time in the West." (3) Field added, "Solzhenitsyn is a good man, which is much, but not enough to make a great writer." At this point all sorts and conditions of Marxists, which would certainly include today's fashionable Euro-Communists, turned against him with pitying scorn, although sometimes admittedly protesting that his right to continue to broadcast his supposedly pitiable message should be respected. The Marxists argued that Solzhenitsyn was upholding the record of Tsarism, that he was advocating an antediluvian economic order, based on the plough and the horse

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as opposed to the tractor, the factory, and the motor car. (4) Some even went as far as to identify Solzhenitsyn with the Black Hundreds. (5)

Members of the Democratic movement, and all those of a liberal 'democratic' persuasion, are similarly somewhat disconcerted by Solzhenitsyn's defence of authoritarian style government in his "Letter to Soviet Leaders." His apparent isolationism and nationalism, his critique of western diplomacy, which became particularly evident at the time of his 1975 US tour, was perturbing to them. His differences with, and debates (one might say) against Sakharov, published in *Kontinent* in 1974 became well known. His censorious comments about the views of Pavel Litvinov and a whole group of writers in 'Vestnik Russkogo Khristianskogo Dvizhenia' (6) isolated him from many who had previously seen Solzhenitsyn – the great, persecuted Russian writer – as their white hope. Many adopted the formula of Leonid Plyusch, referring to Solzhenitsyn as an indisputably great writer, but a little eccentric, a little odd when it came to politics, and they drew the comparison between Solzhenitsyn and Dostoevkii. President Gerald Ford was unwilling to see Solzhenitsyn, regarding him as a dubious ally and fearing his supposedly impolitic criticism of detente. In England, Professor Bernard Crick became uncharacteristically illiberal about Solzhenitsyn, apparently on account of his attachment to Russian Orthodoxy. Solzhenitsyn did not help himself against these attacks when he denied that he was in any sense a political figure, as he does, for example, in the invaluable personal record "Bodalsya telyonok s dubom," his Nobel Prize Speech (7) (8) and elsewhere. This again was paradoxical: Solzhenitsyn's at one time rather frequent public appearances, his wide ranging comment about such matters as Britain's desperate decline, and the late Tsarist-style decadence of the American political system, seemed to be distinctly political.

However, many have remained convinced of the relevance and significance of Solzhenitsyn's message. In England, the London *Times* has reported a full post bag of approving comments from his readers, and it is noteworthy that when Solzhenitsyn's broadcasts on BBC radio and television (9) were published in *The Listener*, that journal went through the unusual experience of having to print extra copies to meet

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the demand from the public. Among Orthodox and general Christian opinion, Solzhenitsyn is highly regarded, not only in the widespread comment of the village pulpit, but also in articles such as those of Alexander Schmemann in the aforementioned "Vestnik." (10)

It is impossible to dismiss Solzhenitsyn, as the left has done, as an antediluvian reactionary; and inaccurate to associate him with the Black Hundreds. Although it is difficult to identify Solzhenitsyn with any established political creed of the left, centre, or right of the political spectrum, it is not in fact impossible to summarise Solzhenitsyn's beliefs, particularly now that the missing chapters from "The First Circle" and from some of the 'knots' have appeared, together with Solzhenitsyn's post-exile utterances and his personal record 'Bodalsya telyonok s dubom'. All we lesser mortals now have to do is to analyse the views of this lonely genius, and to do so without prejudice within the correct context.

Before his compulsory exile in 1974, Solzhenitsyn passed his life almost exclusively in Russia and the U.S.S.R., apart from a brief foray into what used to be East Prussia with the Soviet Army in 1945. He regards the Soviet Union as the 'key country of the twentieth Century'. (11) He draws many of his general historical and political conclusions from Russian experience. We are entitled to assume that Solzhenitsyn, the outstanding student of mathematics, physics and a scholar of the Moscow Institute of Philosophy, Literature, and History (IFLI), was greatly influenced by Russian traditions, obsessed and enthralled by the great Russian writers. Solzhenitsyn was at one time a Marxist-Leninist, (12) but now rejects in its entirety this philosophy and world outlook, tracing Stalinism to the record of Lenin in his Gulag Archipelago (Vol. II in particular), and ultimately accepting that Lenin's historical materialism and even his policy of collective terrorism may be found in Marxism itself. We are entitled to assume, I think, that this root and branch rejection, not lightly arrived at, may have directed Solzhenitsyn's thought back to prerevolutionary tradition, as the record of Soviet political thought since at least 1924 has been sterile. Solzhenitsyn's knowledge of the West and of Western political thought, even of Marxism itself, must have been extremely limited and selective. What then are the main outlines of Solzhenitsyn's thought today, and what analogies

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may we draw between these outlines and the Russian intellectual past? In the absence of conclusive proof, such as extant correspondence my conclusions are open to discussion, although there is evidence for the influences and affinities which I am about to put before you. I shall deal with the main outlines of Solzhenitsyn's views one by one.

Solzhenitsyn's Apoliticism

Solzhenitsyn's portrayal of 'Lenin in Zurich' is critical not only of Lenin's political activities, but of politics and politicians in general – whom he sees as inhuman mechanisms for the writing of speeches, who intrigue, irrespective of their state of health or the time of day or night. He sees the politics of the Russian emigre world up to 1917 as dishonest, barren, and dangerous. He has often rejected the view that he himself has a political message, sometimes refusing to answer questions at press conferences on account of the fact that these questions are too political. He rejected claims made by soviet officials when he and Tvardovskii were questioned in 1967 about the appearance of 'Cancer Ward' in samizdat and elsewhere, that he was involved in some kind of dishonest political activity, (13) saying that he was not a politician, but an artist. In his Nobel Prize speech, he elevates moral and aesthetic considerations above political ones, quoting with approval the mysterious comment of F. M. Dostoevskii that 'the world will be saved by beauty'. (14)

The apoliticism I relate first of all to Slavophilism, and more particularly to 'the native soil movement' (pochvennichestvo) of the 1850s, 1860s and 1870s. The most thorough analysis of this intriguing and original school of thought is an unpublished PhD thesis (London University 1973) by Wayne Dowler. Dr. Dowler summarises his point as follows: "The *state* for them (the pochvenniki) remained a constant, . . . whereas the nation in their view continued to grow organically in the form of an autonomous and increasingly more perfect moral and social order. The pochvenniki, therefore, set politics aside and turned to the ethical reordering of society". (15) Another, more recent echo of this characteristic apoliticism I seem to hear from N. A. Berdyayev (1874-1948), the title of whose essay in the 'Vekhi' (Signposts) collection of 1909 is 'Philosophical Truth (Istina) and Intelligentsia Truth

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(Pravda)'. Berdyayev advocates here a search for some more fundamental truth than that of a political platform from which to fight the autocracy: he is a fundamentalist, speaking in this essay of the necessity to achieve liberation from 'the oppressive power of politics'. (16)

Solzhenitsyn's Critique of Soviet Marxism-Leninism and Stalinism

Solzhenitsyn's devastating analysis of the whole soviet era is well known. Primarily he rejects the class analysis of society, saying that it is discriminatory, that it tends to promote social conflict, and leads to the creation of an inhuman society, or even nuclear war. He rejects the utility of the class analysis as a means of comprehending history or society. (17) He regards dialectical materialism as laughable, depicting the compulsory political lectures from Chapter 4 of Stalin's short course history on the subject of the First Circle of Mavrino, as a barren ritual, devoid of meaning for both listeners and lecturer. Far from regarding mankind as a biological accident in a meaningless universe, he asserts the spiritual nature of human personality, emphasing the distinctive metaphysical significance of the human race, seeing class therefore as an epiphenomenon. He advocates as far as possible, government of society by consent, and above all rejects the hard line government of the Stalin era, and any prophylactic social panaceas such as dekulakisation. He regards society as complex and mysterious, and rejects the view that any ideology as such can explain the essence of life. (18) Similarly, he rejects any form of historicism, or mechanical, deterministic laws in the history of mankind. In the words of Varsonofiev in 'August 1914' "history is a river; it has its own laws which govern its flow, its bends, the way it meanders . . . And we're told that the bed must be forcibly diverted by several thousand yards. The bonds between generations, bonds of institution, tradition, custom, are what hold the banks of the river bed together and keep the stream flowing." (19)

On the subject of dialectical materialism, a direct parallel with the ideas of Berdyayev may be drawn. In his "Origins of Russian Communism," Berdyayev, like Solzhenitsyn, argues convincingly that dialectical materialism is an absurdity. (20) Solzhenitsyn's thorough-going rejection of materialism and socialism is perhaps reminiscent of Dostoevskii's attack on the

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'nihilists' of Sovremennik (The Contemporary) in the 1860s, and once again brings to mind the pochvenniki, who opposed Western rationalism and socialism, and hated abstraction and intellectualisation – rejecting ideology, and believing that life was much too rich and diverse to be explained in terms of any a priori ideal. They opposed any conclusions about society based on the class analysis, and, had they lived in an intellectual atmosphere of Marxism, it seems fair to assume that they would have strongly repudiated Marxist doctrines. The difference between the Marxist ideologue and the pochvennik is the difference between Suslov and Pushkin, or to be more charitable, but less accurate, between *Il Pensero* and *L'Allegro*.

In the context of historicism, it is noteworthy that the pochvenniki rejected Hegelianism, although one of their number, A. A. Grigor'ev, had been greatly influenced by Hegel in his youth. They worshipped life as experienced by people in all their complexity, richness, and individuality, and they renounced Hegel who had tended to reduce nationality, individualism and history itself to the abstract workings of general laws. But they accepted that individuals in their personal and social life should act reasonably, in the sense of 'razumnost', as opposed to acting as a result of abstract theorising and generalising in the sense of 'rassudochnost'.

In my opinion the views of Solzhenitsyn's Varsonofiev, as in 'Augusts 1914', have much in common with English Conservatism and in particular with Edmund Burke. In the Russian context, it might be possible to draw a parallel with D. N. Shipov, sometime leader of the Octobrist Party in the Imperial Russian Duma, who would have approved, I think, of the view that national history is a unique and organic evolution, productive of certain institutions and customs which are not susceptible of sudden, planned change.

Solzhenitsyn's Critique of Soviet Legal Theory and Practice

Perhaps the most thorough and influential aspect of Solzhenitsyn's political thought may turn out to be his analysis of the Soviet failure to maintain in any recognisable sense the 'rule of law'. Solzhenitsyn's 'Gulag Archipelago' contains amidst its massive edifice, three important areas of comment in this field. First, an extensive analytical comment on Soviet Courts and Law in theory and practice. Second, an analysis

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of Soviet penology in theory and practice. Third, some illuminating comments about the effects of Soviet camps on Soviet society as a whole. I do not wish to summarise or belittle this work of Solzhenitsyn, which is a remarkable and thorough analysis of Soviet theorists from Vyshinskii and Averbakh and Krylenko, Stuchka and Latsis, to Bukharin and Khruhchev. The experience of the Gulag Archipelago was and is to some extent unique, although Solzhenitsyn draws on nineteenth Century prison literature including Chekhov's investigations in Sakhalin and most importantly, Dostoevskii's 'House of the Dead'. Like Dostoevskii, Solzhenitsyn points out the paradoxically beneficial spiritual influence of the prison experience on certain individuals. Like Dostoevskii, Solzhenitsyn points out the way to spiritual strength through physical weakness and physical suffering.

As regards the rule of law, once again it can be said that the pochvenniki were advocates in this field, although one needs to bear in mind the strictures of Dostoevskii on trial by jury in 'The Brothers Karamazov'. We know that Solzhenitsyn admires English thought in the field of legal theory, and once again in the Russian context the name of D. N. Shipov springs to mind as a practising member of the Imperial Russian Bar and an advocate of universal rule of law in his 'Twenty Points' of critique of the autocracy. On this point Octobrists and Kadets were united, and so today would Solzhenitsyn and Sakharov be united.

Nationalism

Dealing first of all with Solzhenitsyn's deep love for his native land, it is evident that for him, Russia was at one time both a source of inspiration and some kind of healing, soothing environment, without which he cannot easily write and create. In 'Matryona's Home' we are told that the narrator 'just wanted to creep away and vanish in the very heartland of Russia – if there was such a place '. (21) Here there is the element of the legendary and the romantic which one associates with Slavophilism, as also in this passage, 'Tal'novo, Chaslitsy, Shestimirovo . . . the names wafted over me like a soothing breeze. They held a promise of the true, legendary Russia'. (22) Solzhenitsyn's refusal to leave his country to collect his Nobel Prize in 1970, on the grounds that he might not be allowed to

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return, is well known. His subsequent expulsion from the Soviet Union in 1974 seems to prove that these fears were justified. This refusal appeared almost instinctive, as in the strangely relevant prose poem 'The bonfire and the ants', in which Solzhenitsyn relates the episode of an old log being placed on a forest bonfire. The ants living in the log at first tried to flee, but they 'no sooner overcame their terror than they turned and circled, and some kind of force drew them back to their forsaken homeland'. (23) This concern for the homeland goes in hand with a deep love for the simple Russian people, such as Matryona, Zakhar Kalita, and Blagodaryov in 'August 1914', as well as a concern for the proud humanity of man. (24)

Yet again, in his 'Letter to Soviet Leaders', Solzhenitsyn is advocating a policy of *national* retrenchment and reform without the aid of foreign capital or any of the advantages of 'convergence' so ardently desired by Sakharov. Is he then, a nationalist, or even a Great Power chauvinist, waving a metaphorical flag of the Romanovs in the ranks of the Union of the Russian People?

A clue in the resolution of this dilemma may be found in the Nobel Prize Speech, where he refers to the nations of the world as follows: "Nations are part of the wealth of the human race. Although generalised, they are its individuals. The smallest of them has its own special colours and hides itself some special facet of God's design." (25) A strong theme of the Nobel Prize Speech is in one sense a plea for common standards for the whole of humanity, now nations are so close together in a physical and communications sense.

The deep patriotism of Solzhenitsyn, coupled with his concern for the world community and his aspiration towards cosmopolitanism, may be resolved with reference to the views of that cosmopolitan Baltic German Herder — much beloved, incidentally, of the pochvenniki. Herder's romantic nationalism was modified in fact by his belief in a mysterious unity called 'humanity' which however could only be (dimly) apprehended by way of its different manifestations, the nations of the world. The pochvenniki saw this as a concrete, manageable approach as opposed to the unrealistic airy abstractions which were advocated so glibly by the cosmopolitanism of the eighteenth century Enlightenment. Solzhenitsyn's patriotism may thus be

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seen as a liberal nationalism in contrast to the Black Hundreds or today's 'national bolshevism'.

Solzhenitsyn's concern with the theme Russia in History

Solzhenitsyn's profound and in some ways almost obsessive studies of Russian history constitute my next theme. He has described his 'knots' beginning with 'August 1914' as the 'main task of my life' (26) and in 'Bodalsya telyonok s dubom' he states that at one time he had planned to fewer than twenty such knots. (27) 'October 1916' and 'March 1917' have not yet appeared, but the Lenin chapters from these knots have already been published, some would say with preliminary and puzzling haste. ('Lenin in Zurich.') In the collection 'Iz pod glyb' his essay 'As breathing and consciousness return' insists on the need for accurately recorded national history, in order to avoid what has in fact occurred under the distorting influence of Soviet historiography, namely the creation of a garbled and incomprehensible picture, a pile of rubble. In this respect, Solzhenitsyn points out the intellectual and moral failure in the Soviet Union of that creed which purports above all to interpret correctly the historical process.

Solzhenitsyn's own quest for a correct interpretation of Russian history, which he pursues sometimes into the very depths of pre-Petrine Russia, seems to have for him a highly personal, almost religious significance reminiscent perhaps of Ranke's search for the hand of God in history. It is relatively easy to excite the wrath of Solzhenitsyn, but in the field of historical studies, he seems to be particularly touchy, reminding one on occasion of a Russian patriarch pronouncing the frightful word 'anathema', at which perhaps even Leo Tolstoy might once have trembled. Against the aforementioned group of Russian intellectuals writing in Vestnik No. 97 (N. N., Altayev, Gorskii, Chelnov and Ustinov), he hurled the phrase 'a harmful and ignorant distortion of the meaning of recent Russian history'. (28) For the unfortunate Professor Richard Pipes, with his Polish origin, largely romanticized West European lithographs and plates of his 'Russia under the Old Regime', withering scorn and some rage was delivered by Solzhenitsyn at a public gathering in the Hoover Institution last summer. Solzhenitsyn who thought that Pipes' comments about the essentially undemocratic nature of Russian history were

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offensive and ignored local differences and temporal variations.

Does Solzhenitsyn, like the Slavophiles of the 1840s, seek the 'repristinisation of pre-Petrine Russia'? Certainly he has affection for the traditions of old Novgorod and its Veche, as shown for example in 'The First Circle' (29) and I suspect too, for the Old Believers, though I have no evidence on this point. Solzhenitsyn's philosophy of history is subtle: on the one hand he sounds a strong chord of Slavophilism, yet in his 'Letter to Soviet Leaders' he remarks that Russia, vis-a-vis China, is a defender of Western European culture. Similarly he comments upon the decadence and weakness of the Western World, but at the same time seems to believe that the U.S.A. and the Western World have a capacity for change and for adaptation to challenges which Russia may lack. Once again we are reminded of the 'pochvennichestvo', whose representatives such as A. A. Grigor'ev, E. N. Edel'son, and N. N. Strakhov – especially in the journals *Moskvitianin, Vremya* and *Epokha* stand ready to criticise both Westernists and Slavophiles. For example, they opposed P. Ya. Chaadayev because he had said that in comparison with the West, Russian life was a desert. What he should have said, they argued, was that Russian life was different from the West, but no less human. Similarly, they attacked writers such as I. V. Kireevskii, A. S. Khomiakov, and K. S. Aksakov, because they had been seeking, with nostalgia, for a romanticised and perhaps idealised past. Grigorev's in particular insisted that it was impossible to put the clock back. The pochvenniki were gradualists and evolutionists, even if, in the end, they seem to fit more easily into the category 'Slavyanophil'stvo' than into the category 'Zapadnichestvo'.

Solzhenitsyn's writing of history is stimulating and evocative, with great respect for and – under Soviet conditions – amazing accuracy of detail. It is difficult always to know what is fact or what is conjecture, although in 'Lenin in Zurich' he does list his sources with characteristic detail and accuracy in the bibliography. Even here, though, he is apt to go in for a kind of Tolstoyan psychological introspective analysis of Lenin's moods and thoughts, as he does also in his depiction of "Odna Noch' Stalina" in his "First Circle." Solzhenitsyn occasionally uses some impressionistic techniques in his historiography, such as the use of film and cinema directions in 'August 1914,'

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his use of advertisements and headlines of 1914 to recreate the atmosphere of the time, and his evocative comments in the form of Russian Folk sayings. 'The answer to a riddle is short, but there are seven leagues of truth in it'. (30) History is perhaps more of an art than a science; Clio is among the Muses. But I feel that the important point may be that for Solzhenitsyn, as for the pochvenniki, life may be understood not by logic, although the scientific method is indispensable, but by a kind of aesthetic intuitionism, an idea which should be comprehensible to the modern mind which knows well the existence of the subconscious.

Religious Influences

Solzhenitsyn has a thoroughly religious world outlook, interpreting events in terms which are frankly theistic, and sometimes even appearing to use the (Russian Orthodox) ecclesiastical calendar rather than the Julian or the Gregorian calendar. One essay in 'Iz pod glyb' has that slightly uncomfortably Christian tone of 'repentence and self-limitation', in which he calls upon nations to repent, declaring that the sins of the fathers are visited upon the third and fourth generations. He advocates self-limitation in International affairs as in the life of the individual, and an uncomplicated moralism in diplomacy. The accent on economic growth and ever rising standards of living, together with the endemic inflation of Western society, seem to him no more than symptomatic of greed and the worship of Mammon. Economics and politics are reduced to more fundamental causes: the improvement of society must rest on the improvement of individuals. In 'Journey down the Oka' Solzhenitsyn relates the soothing effect of the Russian countryside to its churches, and says that the tolling of the bell for evening worship raised man's thoughts above his trivial and selfish earthly cares, even if only for one hour.

Solzhenitsyn's manifesto 'Live not by Lies' is a programme of non-cooperation with lies and the ungodly, of non-cooperation with evil, it as a form of Christian or perhaps Stoic passive resistance. Whether this kind of approach can be an effective political weapon, only time will tell, as Solzhenitsyn, like Dostoevskii, rejects any form of overt political party type organization. He insists that each individual must make him or herself strong as though passing through the eye of a needle.

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This will create a spiritual elite on which the national future of Russia can be based, and these truly steel-tempered souls will recognize each other instinctively for the purposes of changing society in a desirable direction. For Solzhenitsyn, a man trained in the physical sciences, religion is not by any means incompatible with the discoveries of physical science, as Hume and Kant imagined.

Solzhenitsyn's Christianity, like his nationalism, is sometimes Orthodox, sometimes ecumenical, with a characteristic touch of Catholicism; sometimes mundane and kind, sometimes apocalyptic and messianic. It is perhaps an echo of Dostoevskii, who at the end of his life, wished to lead society back to the church, and of the sweeping metaphysical panaceas characteristic of the natives oil movement in its later years.

Solzhenitsyn's Rejection of Both Socialism and Capitalism

The 'Letter to Soviet Leaders' was a startling document for Western readers, barely understood in the same way as the Nobel Prize Speech had been barely understood. David Lane's "The Socialist Industrial State" (31) merely quotes Solzhenitsyn's rejection of modern large scale industrial and urban society as evidence of his irrelevance, and passes on. Solzhenitsyn's accent upon environmentalism, his advocacy of zero growth, handcrafts, and the Moscow 'Garden Ring' tradition of urban dwelling is however not merely an echo of the Teilard de Chardin Society or The Club of Rome, but more a rejection of the Stalinist style of rapid industrialization, collectivization and of the 'Great Leap Forward' syndrome generally, and it is once again a re-examination of the nineteenth century debates about a possible 'third' path of economic development for Russia, which is neither inherently capitalist nor socialist. I am not referring here to the famous controversy between marxist and populist, the 'Controversy over capitalism', but the earlier contentions of the conservatives and Slavophiles, who, criticised capitalism, (32) and suggested that the mir and the small scale industrial artel could form the basis of future economic and social development.

This is not to say, however, that Solzhenitsyn wishes to return to any form of the political economy of the old regime: he is not a defendant of the autocracy as such, although he does of course believe that it should have been more stoutly

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defended at the time, and allowed to develop naturally along the lines suggested (perhaps) by Shipov and the Octobrists. Similarly he suggests that the present (party) autocracy could be developed in an evolutionary way by allowing more inner Party democracy and the opening up of the Soviets and Government posts to non-Communists. The analogy here might be the proposals for development of the zemstva made by Shipov.

The analogy in nineteenth century thought is once again surely 'pochvennichesto', who displayed caution and gradualism in their comments about the autocracy itself, but who were nevertheless radicals in their criticisms of society, advocating decentralisation, localism, the rule of law, extensive education among the masses, democratisation of local communities and productive enterprises, and were supporters of the Emancipation of 1861.

Solzhenitsyn and the Role of the Writer in Society

Solzhenitsyn's unfashionable literary genre, his tendency to write the roman *a these*, which have sold millions of copies, his intensely serious attitude towards the responsibility of the writer as a preserver and creator of national experience, his insistence that the writer carries the guilt of his nation, that the writer's face is spattered with the blood of the victims of his country's tanks, are well known. Art and literature are an expression of the people, of the native soil, and in this sense they are democratic. Literature in the Russian tradition has a primary political role, and as Volodin says in 'The First Circle', 'for a country to have a great writer . . . is like having another government'. (33) Solzhenitsyn thus rejects most emphatically the 'art for art's sake' school of thought, but similarly he is scathing about the official soviet doctrine of socialist realism, and in this he reminds us of the criticisms made against the nihilists of the 1860s, such as Chernyshevskii and Dobrolyubov, who advocated the primary social utility of art. Certainly it would be difficult to argue in favour of Chernyskhevskii's 'What is to be done?' on aesthetic grounds alone.

Solzhenitsyn also seems to believe that literature can be prophetic, saying that the total given by Professor I. Kurganov of the Soviet dead in Stalin's camps and in war (just over 100m) confirms Dostoevskii's predictions of 100m dead under socialism. 'The First Circle' contains prophetic elements,

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including the prediction that the Americans would be the first to achieve a manned flight to the moon, and, in one of the 'missing' chapters, a hint of future nuclear war. (34)

This view of the role of literature, and the apocalyptic tone of Solzhenitsyn, particularly Solzhenitsyn in exile, are unpopular features in Anglo Saxon societies, although in 1976 there was some sympathy for Solzhenitsyn's own words, 'the majority passively obsessed by a feeling of doom; feeble governments; societies whose defensive reactions have become paralysed; spiritual confusion leading to political upheaval." (35)

Solzhenitsyn's attitude towards the role of the writer, his view of some literature as prophetic, are both strongly reminiscent of the 'pochvennichestvo' and of Dostoevskii. Similarly the apocalyptic and rather metaphysical tone of the later Dostoevskii seems to be echoed in Solzhenitsyn, although some might rather relate Solzhenitsyn's 'Warning to the Western World' to Vladimir Solov'ev's last works, in particular to his apocalyptic vision of the end of the world in 'Nedelya' (1889).

Conclusion

A final assessment of the total world outlook of Solzhenitsyn, must await a thorough analysis of the massive structure contained in his 'knots'. However, one key towards an understanding of his political and moral message lies in his connection – acknowledged only once in his writing (36), if only indirectly – with the pochvenniki. In the West, we tend to take the view that any general social and political philosophy must have the characteristics of a political movement. This is not so in Russia: the pochvenniki, like the Slavophiles before them, believed that man was primarily a moral being, a social being, with a primary need for moral and aesthetic enlightenment. They laid their emphasis on the moral and aesthetic, and sometimes religious, transformation of society, while leaving the political sphere, the sphere of state and authority, intact. Thus their radical ideas for moral and social reform went hand in hand with a political conservatism and gradualism: their advocacy of local democracy and government by consent went hand in hand with an acceptance of benevolent authoritarianism on the part of the autocracy: their social activism went hand in hand with political quietism and non-involvement.

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While it is possible to speculate upon the influences exerted by Solov'ev, Berdyayev, and perhaps even by D. N. Shipov, it seems to me that the key to an understanding of Solzhenitsyn lies with Dostoevskii and the 'pochvennichestvo'. But to explain Solzhenitsyn's intellectual tradition is not to 'explain him away'. If the Slavophilism of the 1840s died, it rose again in the pochvennichestvo of the 1850s and '60s. If pochvennichestvo and Dostoevskii died, they rose again in Solzhenitsyn. This phoenix, whose resurrections are more significant than its deaths, merits our closest attention.

FOOTNOTES

(1) Speech to Italian journalists, 31.5.74.
(2) G. Lukacs. 'Solzhenitsyn'. (Merlin Press 1970.)
(3) A. Field. 'A complection of Russian Literature.' (Pelican 1973). p. 279.
(4) A. Myers. 'Solzhenitsyn in Exile.' (Pathfinder Press, Inc. 1974).
(5) B.B.C. Radio 3. Pogramme incl. Professor B. Crick. et al.
(6) V. R. Kh. D. No. 114. (1975).
(7) Bodalsya telyonok s dubom. (YMCA, Paris) p. 190.
(8) A. Solzhenitsyn. Nobel Prize Lecture. (Stenvalley Press London, 1973).
(9) *The Listener*. 4 and 25 March 1976.
(10) J. Dunlop., R. Haugh., A. Klimoff. 'Aleksandr Solzhenitsyn, Critical Essays and Documentary Materials.' (Collier 1975). p. 28 et seq., p. 382 et seq., p. 515. et seq.
(11) V. R. Kh. D. No. 116. p. 128.
(12) L. Labedz. (ed.) 'Solzhenitsyn — A Documentary Record. . .' (Penguin 1974) p. 26.
(13) Bodalsya telyonok s dubom. ibid. p. 190.
(14) A. Solzhenitsyn. Nobel Prize Lecture. (Ibid.) p. 11.
(15) Dr. Wayne Dowler. 'The Native Soil Movement' Ph. D. Thesis. London U. 1973 p. 196.
(16) N. Berdyayev. 'Vekhi' (Possev, Frankfurt (1967). p. 22.
(17) A. Solzhenitsyn. 'Letter to Soviet Leaders.' (Fontana 1974).
(18) A. Solzhenitsyn. 'Sobranie Sochinenii. (Possev. 1970) Vol. 4. p. 483. (In "The First Circle.")
(19) A. Solzhenitsyn. 'Avgust chetyrnadtsatogo. (Flegon Press. 1971). p. 377.
(20) Chapter 88 of "The First Circle." printed in *Kontinent*. No. 1. (1974).
(21) A. Solzhenitsyn. Sobranie Sochinenii. (Ibid.) Vol. 1. p. 195. ("Matryona's Home.")
(22) Ditto. p. 197.

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(23) A. Solzhenitsyn. Sobranie Sochinenii. (Ibid.) Vol. 1. p. 226. ("The bonfire and the ants.")
(24) Ditto. Vol. 4. p. 588.
(25) A. Solzhenitsyn. Nobel Prize Lecture. (Ibid.) p. 33.
(26) S. Carter. "The Politics of Solzhenitsyn." (MacMillan 1977). p. 8.
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(28) V. R. Kh. D. No. 111. (1974). p. 7.
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BOOK REVIEWS

SIMES, DIMITRI K.
Detente and Conflict: Soviet Foreign Policy 1972-1974
Center of Strategic and International Studies, Georgetown University, 64 pp., $3.00

The failure of detente has become increasingly obvious as a result of Soviet and Cuban intervention in Africa. Afghanistan and elsewhere. Author Dimitri Simes questions whether the Soviets ever intended a true detente, or whether they planned to utilize detente to defuse western defense, while building their own strength and extending their influence whenever and wherever opportunity offered.

He concludes that five major groups contribute to the formulation of Soviet foreign policy: "(1) the Central Committee apparatus (those elements with national security affairs); (2) the military; (3) the defense-related industries; (4) the Ministry of Foreign Affairs, and, (5) the academic-research community."

At the same time he believes that the Soviet military force is today led by highly competent people, and that the Central Committee is heavily influenced by the military, without having adequate machinery for managing and overseeing the military. Indeed he says that the "military-industrial complex had more than ample representation in the fifteen-member Politburo" and "can often rely on the support of the KGB."

He warns: "In a broad sense, Soviet ideology requires that the political system move continually toward a predefined goal. To a Soviet Communist stability is illegitimate . . . a totalitarian country like the U.S.S.R. must be committed to international change in order to mention stability at home."

ROBERT L. SCHUETTINGER
Lord Acton: Historian of Liberty
Open Court, LaSalle, Ill., 1976, $12.50.

As the author notes in his Preface, "A Life of Lord Acton must be primarily the biography of a mind since Acton was, above all, a historian of ideas."

The present volume is a good example of the art of the intellectual historian. It combines rigorous scholarship, making

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effective use of much new material which has come to light in the past twenty years, with a sure understanding of the character of the man and of the times in which he lived. In addition, the author writes with economy, grace, elegance and wit.

Lord Acton is important to the political thought of the West because he fused the elements of two great traditions. John Stuart Mill, of course, knew Acton personally and he knew there was no stronger defender of freedom and conscience than Acton. At the same time Acton was sufficiently conservative to strongly oppose any suggestions that women should be admitted to the world of politics. Indeed, if Edmund Burke could have read his essays on the value of religion and morality to a society he would have pronounced him a model conservative.

In many other ways, Acton was a point where two traditions or ways of life met. He was a Catholic in a predominantly Protestant country, he was an intellectual in politics, who had been educated in Germany but taught and wrote in Britain. As he said when he began his career after years at the University of Munich, he intended to bring liberalism to his fellow Catholics, Catholicism to his fellow liberals, and the discoveries and techniques of German historical research to both.

The biography of Acton the man (as distinct from the thinker) is fascinating in itself. He traveled widely (his comments on visits to Russia and the United States are most revealing), and he knew almost everyone active in the world of politics and ideas in Britain – as well as many of their counterparts on the continent. He was a close friend and adviser to Gladstone, and impressed the staunchly protestant Queen Victoria to the extent that she once observed that she wished Albert could have known Acton!

This is as book which should be known by every political scientist and which should be in every university library.

BELL, BELDEN (Editor)
Nicaragua: An Ally Under Siege
Council on American Affairs, Washington D.C., 158 pp., $5.00

Nicaragua has been the focus of considerable media attention within the past few years, and its role as the pivotal state

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dominating the Central American political scene makes it a worthy subject for detailed examination.

In this survey, Dr. John Tierney, Executive Director of the bipartisan U.S. National Security Research Group, traces the historical background of U.S.-Nicaraguan relations, a subject which is also examined in its overall U.S.-Latin American context by Dr. Jeffrey B. Gayner of the Foreign Policy Studies Center of the Heritage Foundation.

Belden Bell examines the political realities inside Nicaragua and Jeffrey St. John, the well-known broadcast network commentator discusses human rights in Nicaragua and the involvement of the Catholic Church in support of revolutionary activities in Nicaragua and various other Latin American countries.

The military problem of combatting terrorist activities is analyzed by Lt. General William P. Yarborough, former commandant of the U.S. Army school for "special" warfare, and former chairman of the U.S. Delegation to the Inter-American Defense Board. Dr. William Schneider surveys the Nicaraguan economy, Otto Scott writes on the question of economic freedom, and U.S. Senator Carl Curtis discusses the question of U.S. economic aid to Nicaragua.

DONALD M. DOZER
The Panama Canal Treaties in Perspective
Council on American Affairs, Washinton D.C., 64 pp., $5.00

In this book, Professor Donald M. Dozer examines the original and current sovereignty rights of the U.S. in the Panama Canal Zone, the new treaties and their implications.

Professor Dozer emphasizes that the U.S. did not exploit Panama in the Hay - Bunau-Varilla Treaty of 1903 but rather consented to build the Canal in Panama and not by the Nicaragua-Costa Rica route. In this treaty Panama also received from the U.S. a guarantee of her independence from Columbia. Panama, says Dozer, ceded sovereignty rights to the U.S. in this treaty; in the words of John Hay, her remaining sovereignty rights were merely a "barren scepter."

Analyzing the importance of the Panama Canal to U.S. national security and world commerce, Dozer draws attention to Panama's history of political instability. Recent economic difficulties indicate that Panama will be far less able than the U.S. to sustain the losses suffered by the Canal in recent years.

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NICARAGUA

AN ALLY UNDER SIEGE

The current national debate over the future of the Panama Canal has focused once again America's attention on the strategic importance of the Caribbean and Central American region.

I am pleased, therefore, that my colleague and friend, Senator Carl T. Curtis, has contributed an informative chapter to a new book entitled Nicaragua: An Ally Under Siege, which has just been published by the Council on American Affairs in Washington, D.C. (a non-profit, non-partisan, educational foundation).

The editor, Belden Bell (an Indiana attorney and former candidate for Congress) has brought together an able collection of experts on various facets of the relationship between this strategic Central American ally and the United States. The authors have all studied the controversial events in that country first-hand and they present fair and well-balanced accounts of what is really going on in Nicaragua.

They disagree on some points among themselves and they do not hesitate to point out that Nicaragua is not a perfect democracy. They do conclude, however, that Nicaragua has often been unfairly treated in the American press largely because there has not been that much information available about this small but potentially important country. Senator Curtis, for instance, repeats his well-known opposition to all foreign aid, including aid to Nicaragua. He does say, however, that he believes Nicaragua should not be discriminated against because it is an anti-Communist ally of the United States.

Especially in this time of renewed attention to our vital interests in this part of the world, I believe this book makes a valuable contribution to our understanding of Nicaragua; while I do not necessarily agree with all the conclusions presented here, I commend this study to the careful consideration of the American public.

Clifford P. Hansen
U.S. Senator

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